

30 April 2019

Q1'19 Earnings Presentation

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The businesses included in each of our geographic segments and the accounting principles under which their results are presented here may differ from the included businesses and local applicable accounting principles of our public subsidiaries in such geographies. Accordingly, the results of operations and trends shown for our geographic segments may differ materially from those of such subsidiaries

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Statements as to historical performance or financial accretion are not intended to mean that future performance, share price or future earnings (including earnings per share) for any period will necessarily match or exceed those of any prior period. Nothing in this presentation should be construed as a profit forecast.

- 1. Group performance Q1'19**
- 2. Business areas performance Q1'19**
- 3. Concluding remarks**
- 4. Appendix**
- 5. Glossary**

Group performance Q1'19



01

Q1'19 Highlights

Commercial transformation

- ▶ Our loyal and digital customer base continues to grow
- ▶ Volumes expanded QoQ and YoY in loans, deposits and mutual funds

Results

- ▶ Q1'19 attributable profit: **EUR 1,840 mn**, impacted by EUR -108 mn¹ of net capital gains and provisions
- ▶ Underlying profit: **EUR 1,948 mn** supported by higher customer revenue, cost control and lower provisions
- ▶ Results affected by market environment, accounting impacts and high inflation adjustment in Argentina

Profitability and solvency

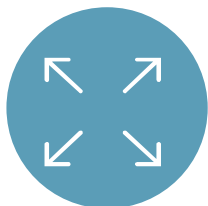
- ▶ High profitability: **11.3%** underlying RoTE
- ▶ Strong organic capital generation in Q1'19: **+20 bps**
- ▶ CET1² Mar-19: **11.25%** absorbing -29 bps of accounting and regulatory effects

Outlook

- ▶ We announced our mid-term targets and strategy at the Santander Investor Day
- ▶ 2019 macroeconomic environment of lower for longer interest rates, Brexit uncertainties

Q1'19 Highlights

YoY changes



Growth

Customers	Loyal: +10%
	Digital: +24%

Volumes	Loans: +4%
	Customer funds: +5%



Profitability

Results	Customer revenue: +4%
	Underlying att. profit: -2%

Profitability ratios ¹	RoTE: 11.3%
	RoRWA: 1.56%



Strength

Solvency	CET1 ² : 11.25% (+25 bps)
	TNAVps: 4.30 (+4%)

Credit quality	NPL: 3.62% (-40 bps)
	Cost of credit: 0.97% (-7 bps)

Our successful commercial and digital transformation plans are reflected in a larger customer base and increased loyal and digital penetration

Active



68.5 mn (+8%)

Active customers

+2.2 mn
active customers
QoQ

Loyal



20.2 mn (+10%)

Loyal customers



30%

loyal / active customers

Digital



33.9 mn (+24%)

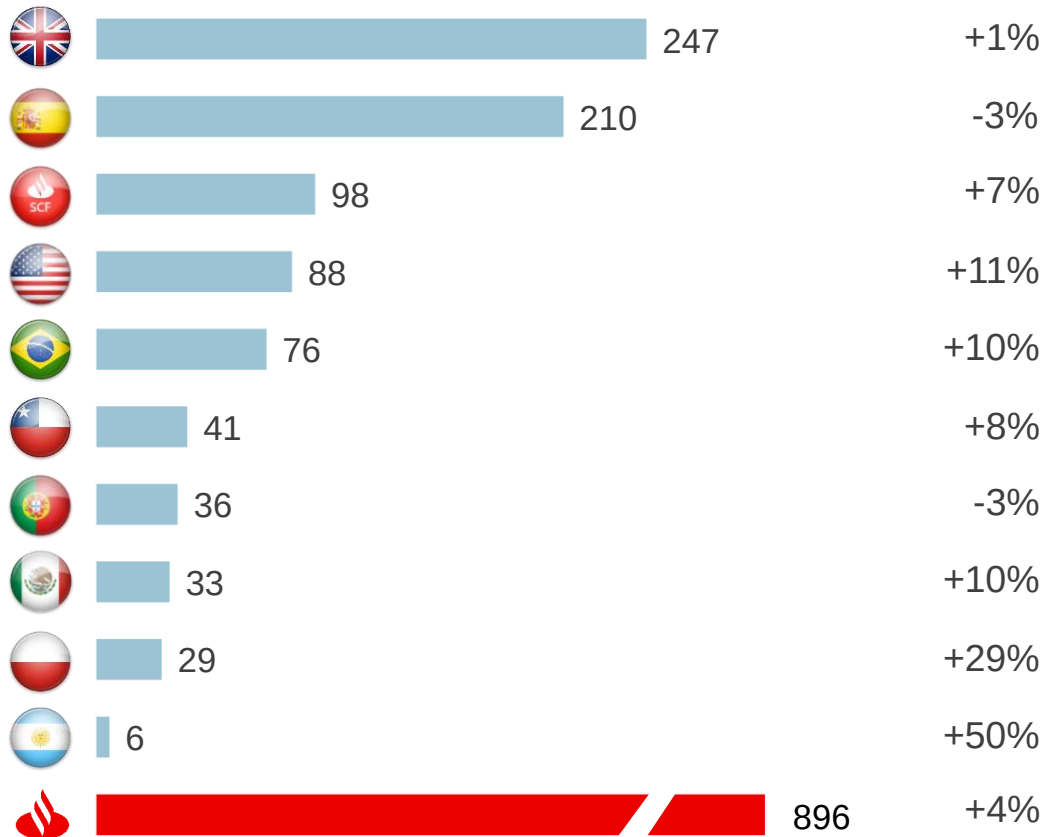
Digital customers

+1.8 mn
digital customers
QoQ

General widespread YoY increase in loans and customer funds, boosted by developing markets

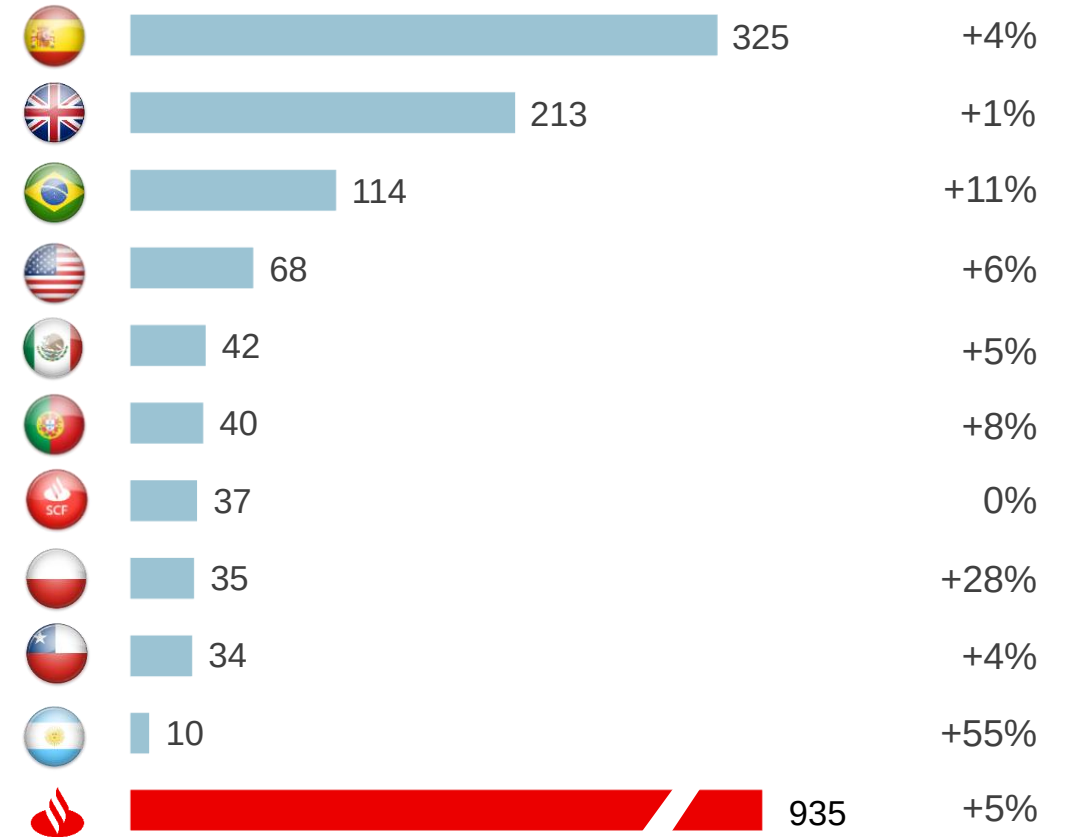
Loans and advances to customers

EUR bn and YoY change in constant EUR



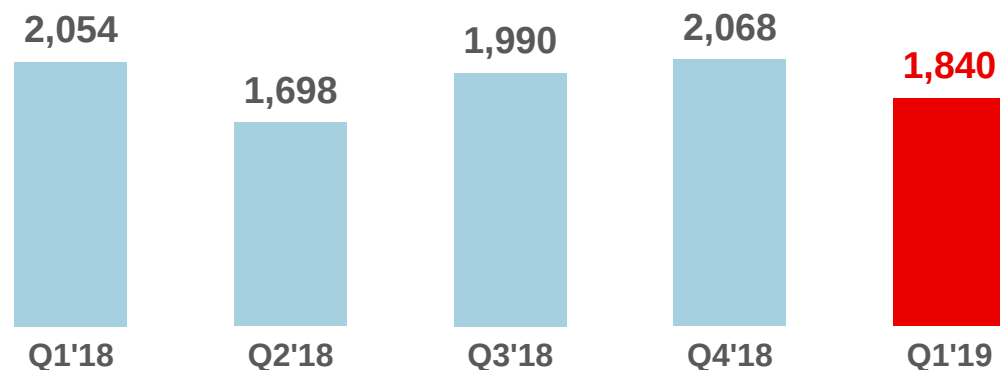
Customer funds

EUR bn and YoY change in constant EUR

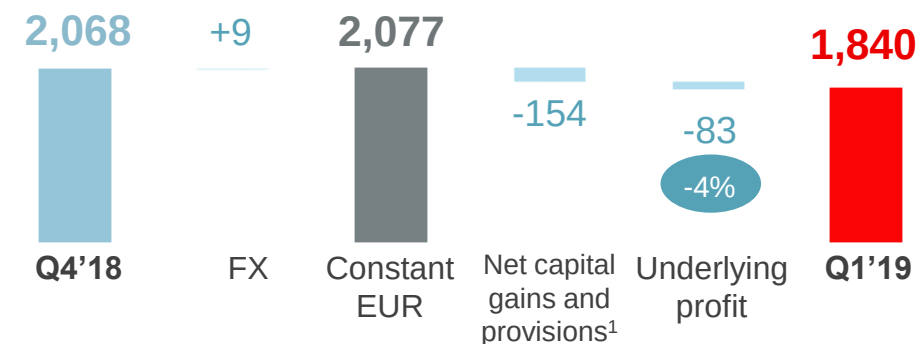


Q1'19 results impacted by one-offs, negative effects from the market environment, accounting impacts and the high inflation adjustment in Argentina

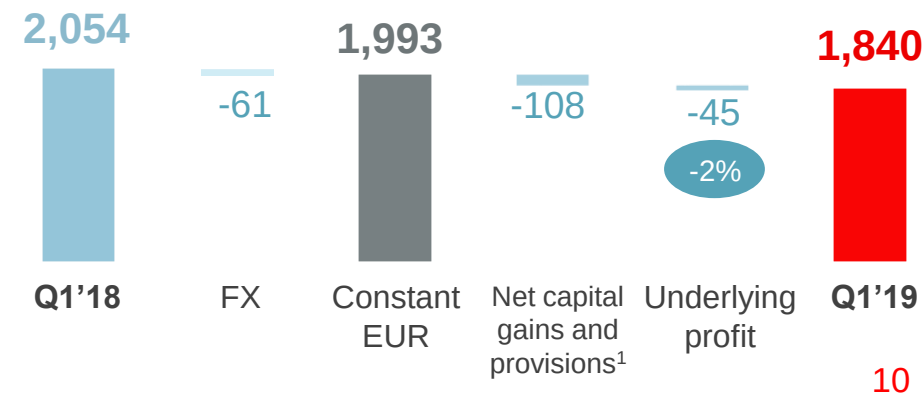
Attributable profit (EUR million)



Q1'19 vs Q4'18 (EUR million)



Q1'19 vs Q1'18 (EUR million)



Q1'19 P&L YoY performance

change vs Q1'18

EUR million	Q1'19	% EUR	Constant EUR	
			Amount	%
Net interest income	8,682	+3	+375	+5
Net fee income	2,931	-1	+76	+3
Gains on fin. trans. and other	472	-36	-264	-36
Total income	12,085	-1	+187	+2
Operating expenses	-5,758	0	-101	+2
Net operating income	6,327	-1	+85	+1
Loan-loss provisions	-2,172	-5	+85	-4
Other results	-471	+13	-71	+18
PBT	3,684	0	+99	+3
Tax	-1,326	+4	-87	+7
Minority interests	-410	+15	-57	+16
Underlying profit	1,948	-5	-45	-2
Net capital gains and provisions	-108	—	-108	—
Attributable profit	1,840	-10	-153	-8

Higher customer revenue due to increased business volumes and spread management

Lower market revenues and higher cost of FX hedging

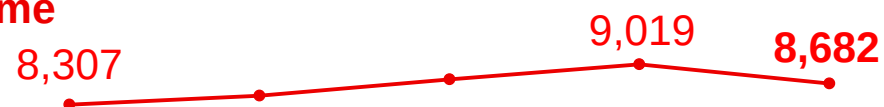
Cost control with an individualised and targeted cost management across the board

Good credit quality evolution, with better cost of credit and NPL ratio

Prisma sale¹ (EUR 150 mn), real estate disposal² (EUR -180 mn) and restructuring costs in the UK and Poland (EUR -78 mn)

Revenue YoY growth driven by stronger customer activity. QoQ drop due to non-business related impacts

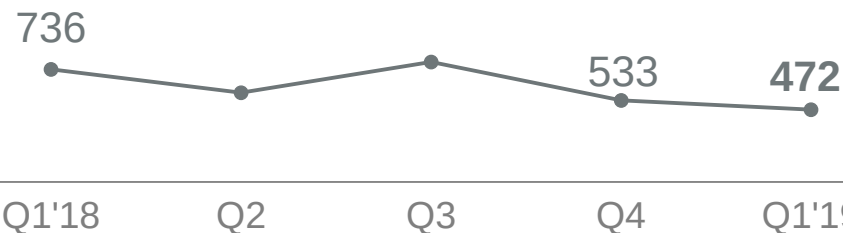
Net interest income



Net fee income



Other revenue¹

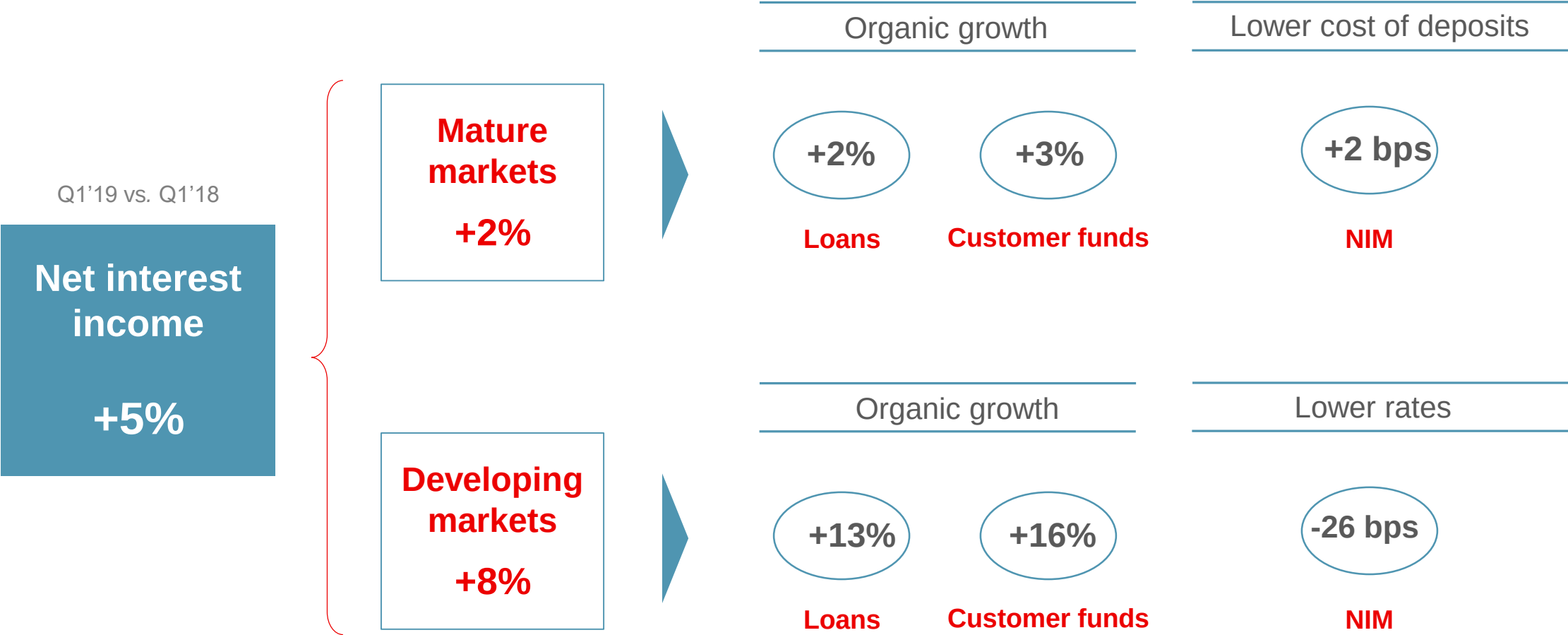


- **YoY growth** due to higher volumes and spread management, with **improvement in 7 of our 10 core markets**
- **QoQ decrease** as Q4'18 was favoured by TDR² reclassification in the US and Q1'19 was impacted by IFRS 16

- **YoY increase in the majority of our main markets**
- **QoQ improvement** boosted by SCF, the US and Mexico
- **Brazil lower QoQ** due to insurance seasonality in Q4

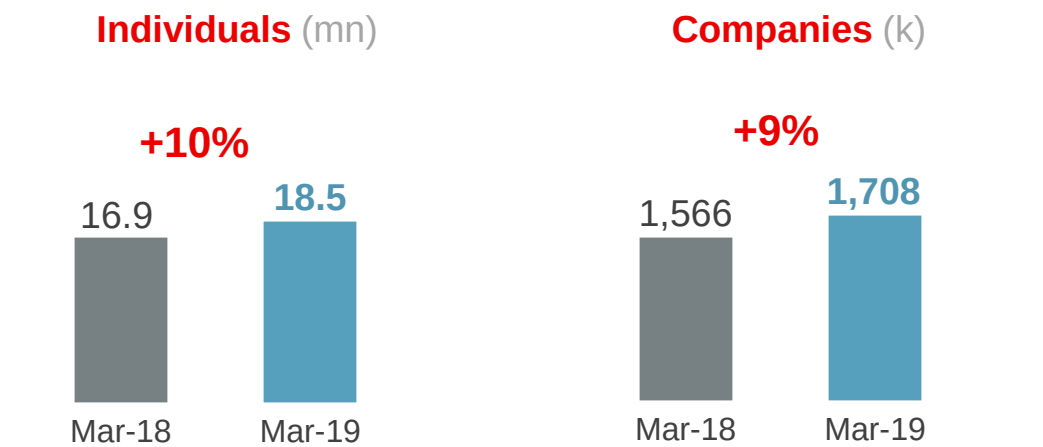
- Q1'19 affected by markets environment and lower ALCO sales
- **Q1'19 FX hedging costs** of EUR 60 mn
- **Very low weight as a percentage of total income (<4%)**

Higher NII due to increased business volumes and wider spreads in mature markets

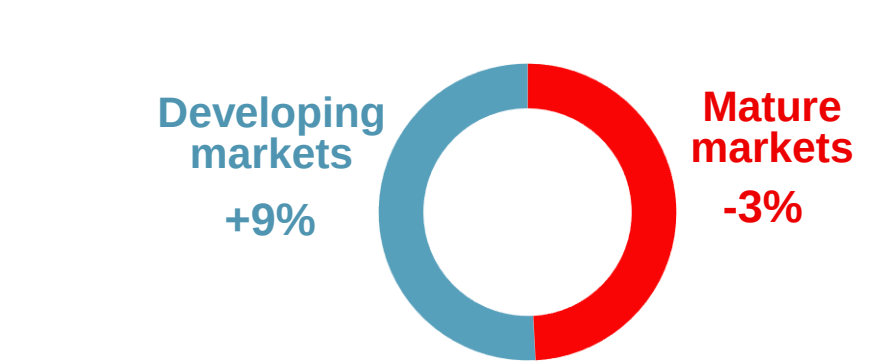


Higher net fee income YoY driven by Retail Banking. SCIB and WM affected by markets

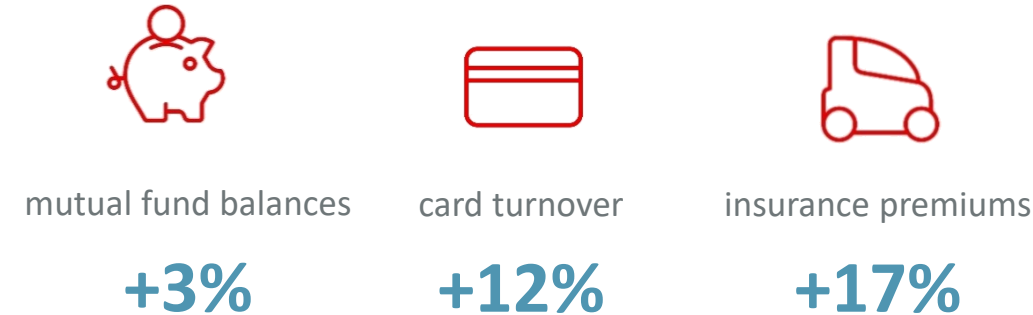
Loyal customers



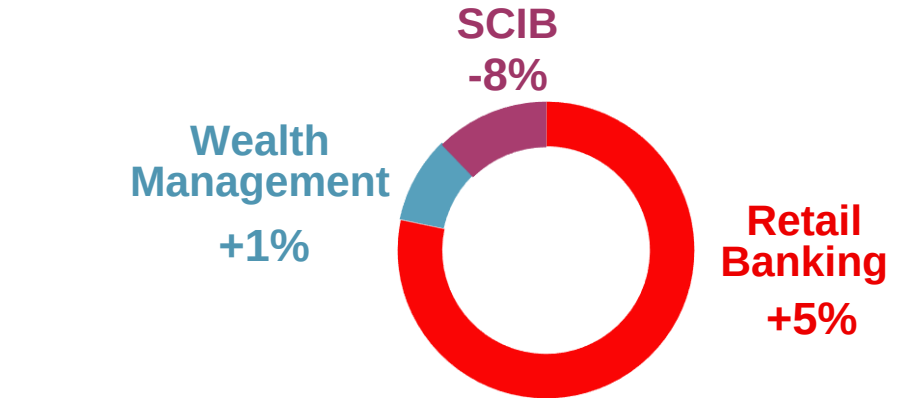
Net fee income growth by market¹



Activity growth¹



Net fee income growth by segment¹



Cost management reflects integration synergies, maintaining a best-in-class cost-to-income, whilst enhancing customer experience

Cost evolution

Q1'19 vs. Q1'18, %	Nominal	In real terms ¹
	-5.7	-7.4
	-1.1	-2.0
	0.0	-1.8
	15.4 ²	13.8 ²
	1.2	-1.1
	-2.7	-5.0
	3.1	-0.9
	9.9	5.3
	1.0	-1.6
	81.3	40.9
C.C.	-1.3	-3.1

Targeted cost management by geographies:

- Synergies from integrations in Europe
- Better operational leverage in the US
- Costs under control in the units where we are investing to update distribution capacity, such as in Mexico

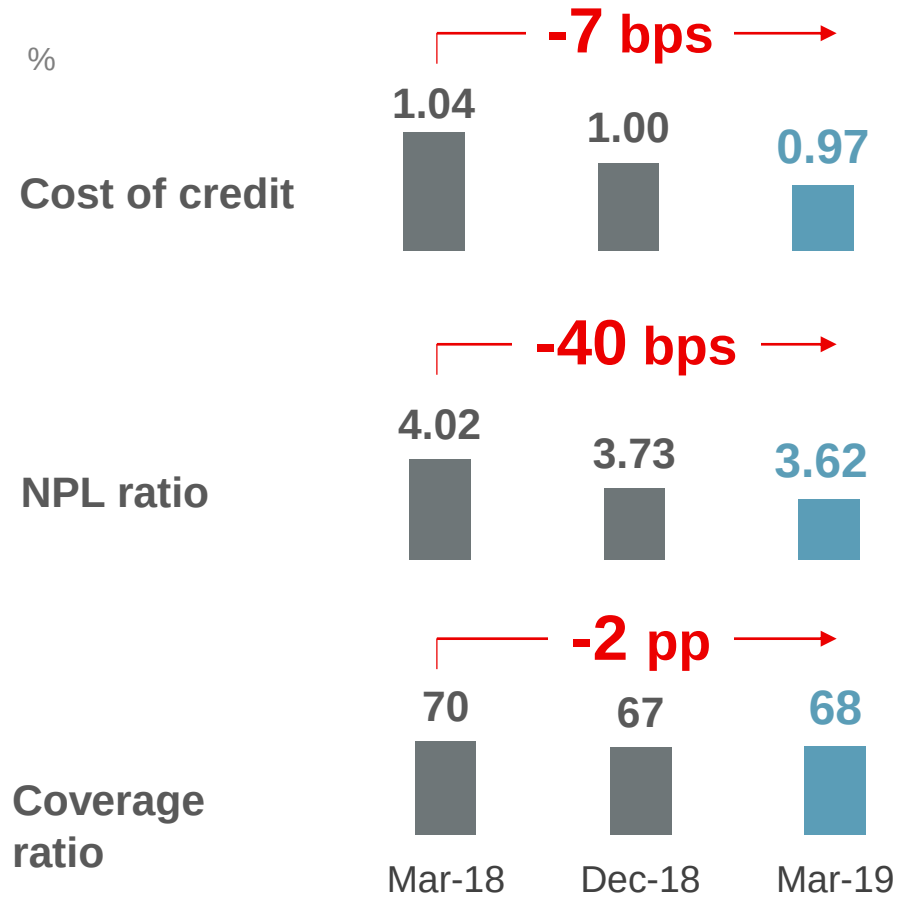


Costs in real terms
-2% YoY



Cost-to-income
47.6% in Q1'19

Continued credit quality improvement on a YoY and QoQ basis



YoY cost of credit ratio improved, maintaining low levels in Q1'19

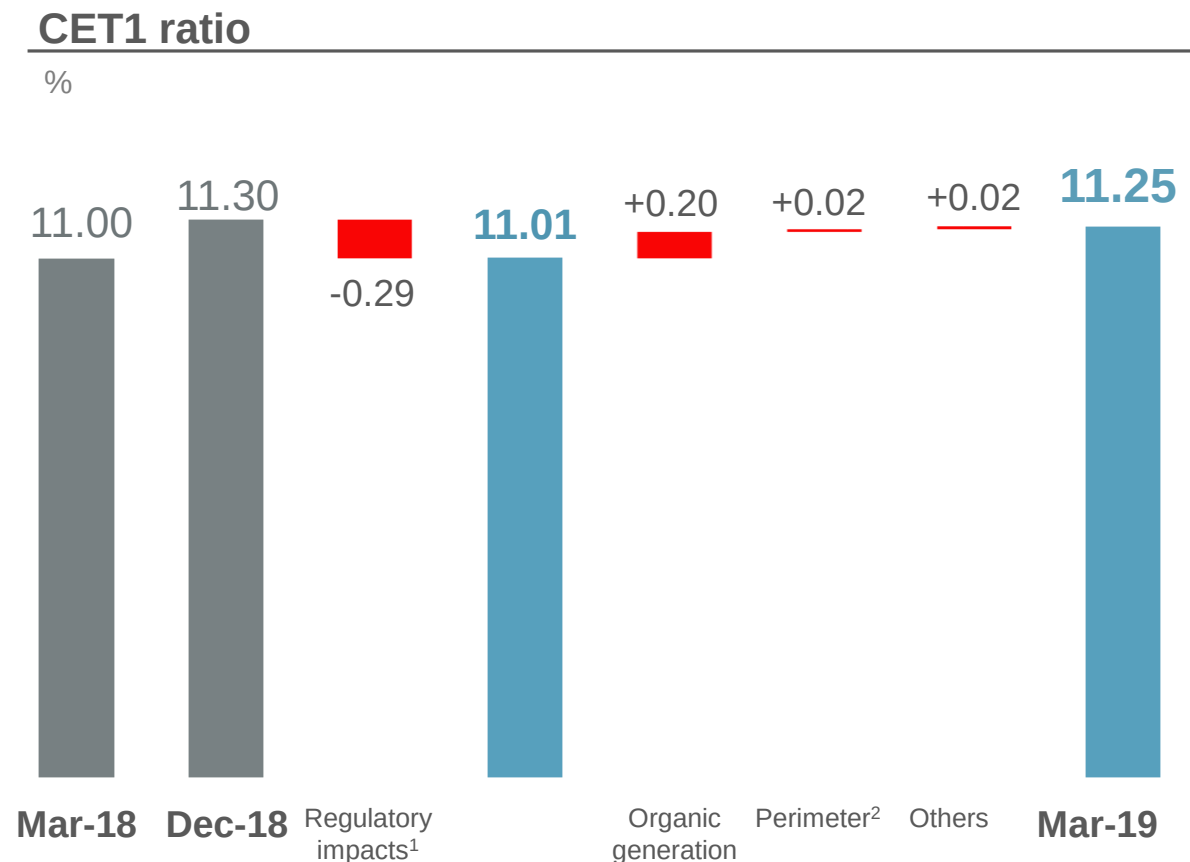


NPL ratio fell YoY in most units



High level of allowances to total loans: **strong first line of defense**

Strong organic capital generation in Q1 (+20 bps). CET1 ratio impacted by accounting and regulatory effects (mainly IFRS 16 and TRIM)



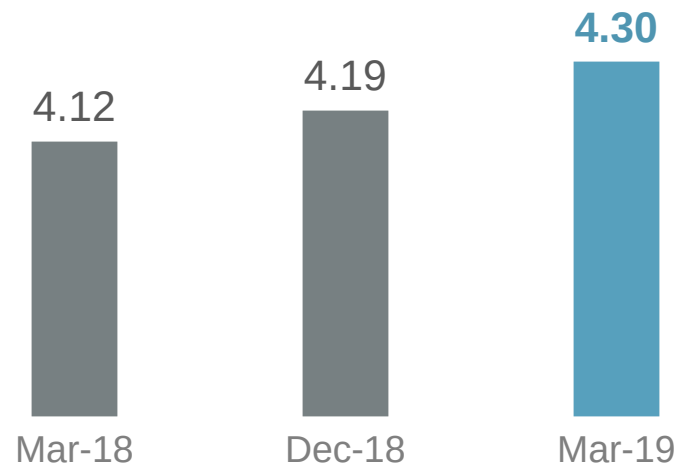
	Mar-19	YoY change
FL Total capital ratio	14.84%	+41 bps
FL Tier 1 capital ratio	12.91%	+42 bps
Leverage ratio	5.1%	0 bp

Santander currently complies with MREL requirement³

Creating shareholder value whilst maintaining high profitability

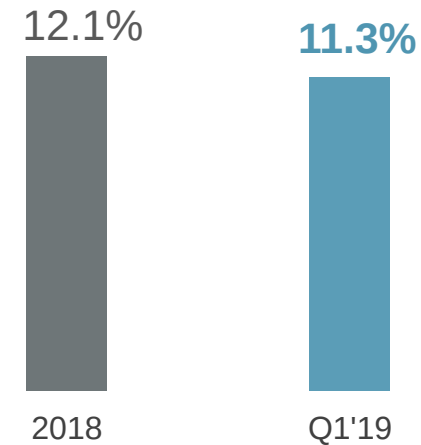
TNAV per share

EUR

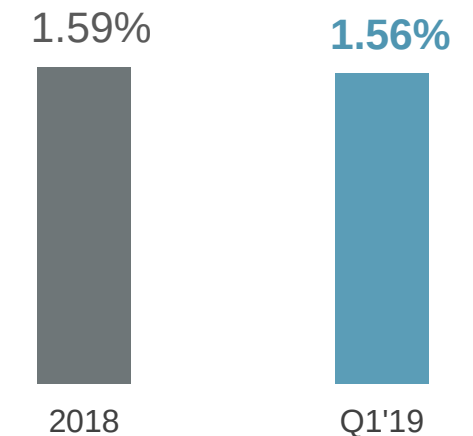


Profitability ratios

Underlying RoTE¹



Underlying RoRWA¹



(1) Statutory RoTE 2018 11.7% and Q1'19 11.2%. Statutory RoRWA 2018 1.55% and Q1'19 1.54%

Notes: The averages for the Q1 RoTE and RoRWA denominators are calculated on the basis of 4 months from December to March.

For periods of less than a year, and in the event of non-recurring results existing, the profit used to calculate the statutory RoTE is the annualised underlying attributable profit (excluding non-recurring results), to which are added non-recurring results without annualising them.

For periods of less than a year, and in the event of non-recurring results existing, the profit used to calculate the statutory RoRWA is the annualised underlying consolidated result (excluding non-recurring results), to which is added non-recurring results without annualising them.

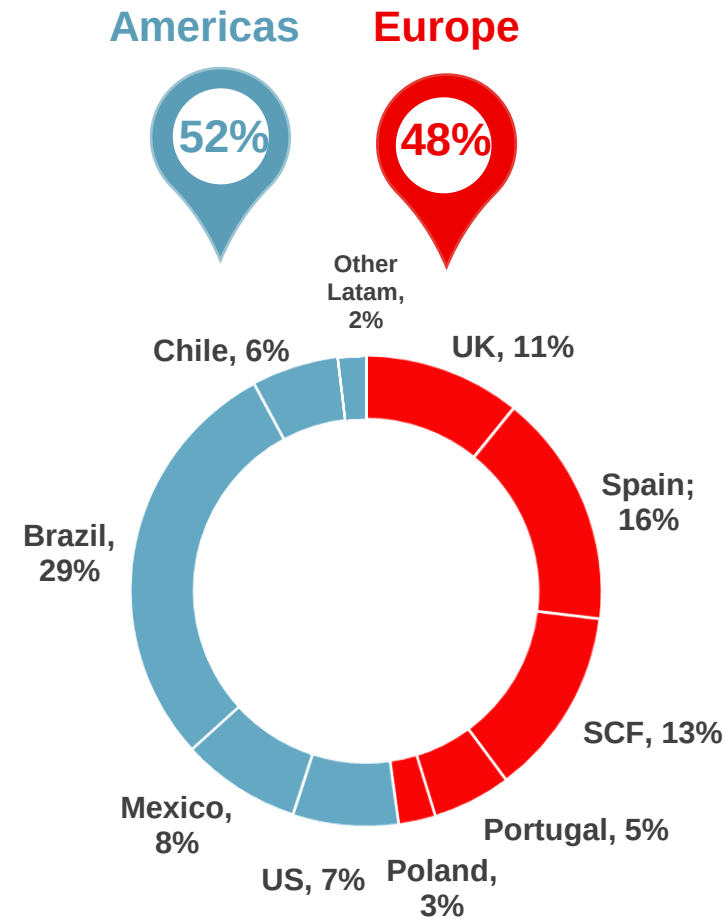
Business areas performance Q1'19



02

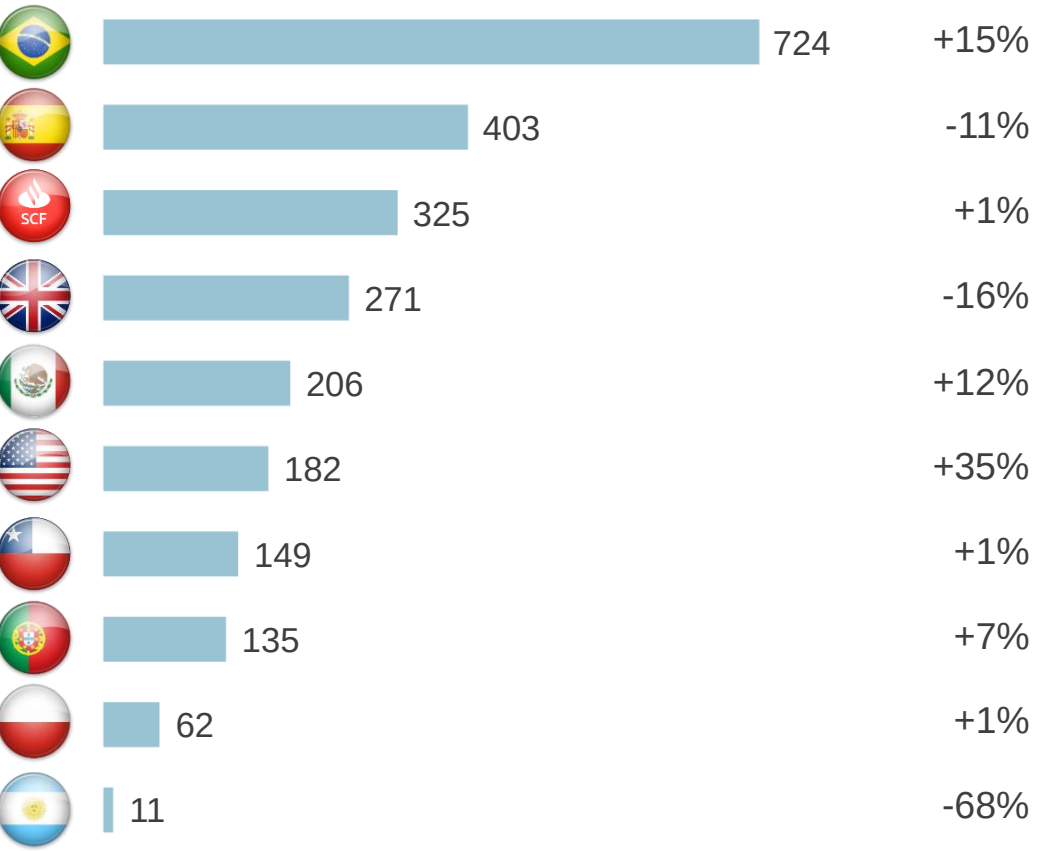
Increased weight of the Americas in Group profit

Q1'19 Underlying attributable profit¹



Q1'19 Underlying attributable profit in core markets

EUR mn and % change vs. Q1'18 in constant euros



(1) Excluding Corporate Centre and Real Estate Activity Spain



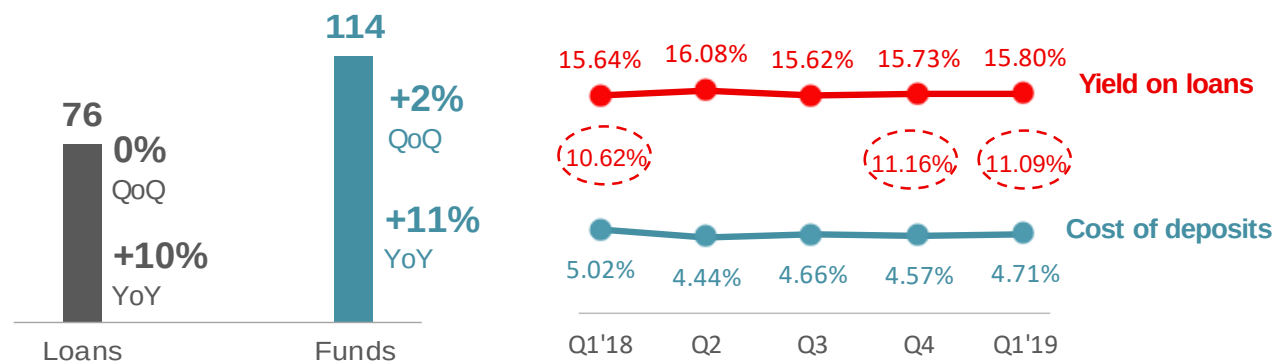
Brazil: YoY double-digit profit growth, higher RoTE (21%) and better customer service and satisfaction. QoQ revenue impacted by seasonality, IFRS 16 and market related income

P&L*	Q1'19	% Q4'18	% Q1'18
NII	2,459	-2.1	6.2
Net fee income	931	-1.3	8.4
Total income	3,411	-1.1	6.2
Operating expenses	-1,119	-7.4	3.1
LLPs	-710	-3.8	-7.3
PBT	1,414	8.7	16.3
Attributable profit	724	7.7	14.8

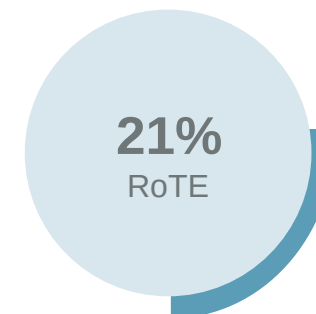
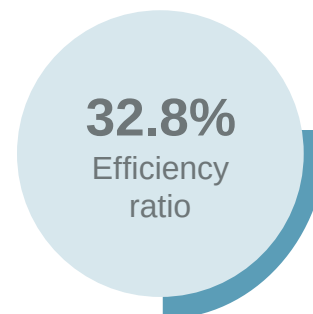
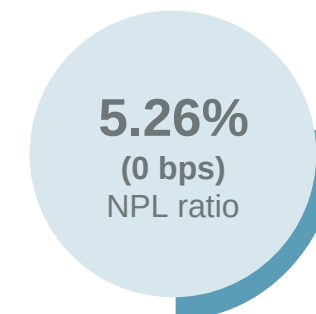
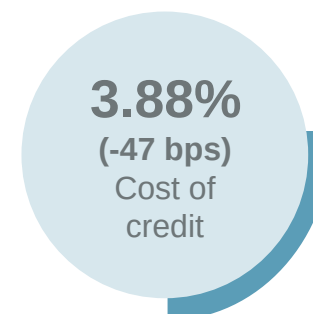
(*) EUR mn and % change in constant euros

ACTIVITY

Volumes in EUR bn and % change in constant euros



Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds
Customers and credit quality ratios YoY change. Underlying RoTE





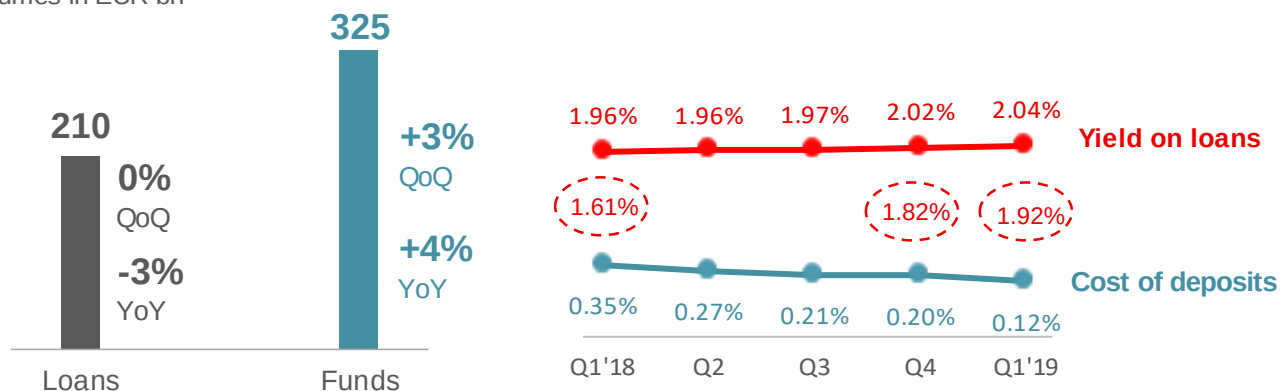
Spain: revenue affected by lower ALCO sales, market related revenues and IFRS 16. Cost improvement reflects integration synergies. Stable credit quality

P&L*	Q1'19	% Q4'18	% Q1'18
NII	1,098	-4.5	6.0
Net fee income	614	-3.0	-8.7
Total income	1,938	3.1	-6.1
Operating expenses	-1,079	-2.8	-5.7
LLPs	-218	69.2	5.3
PBT	544	-4.8	-10.5
Attributable profit	403	-6.7	-11.4

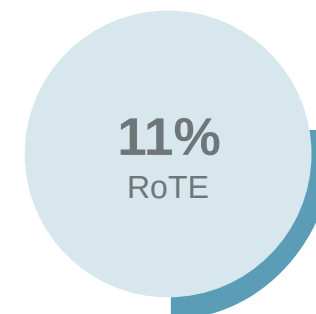
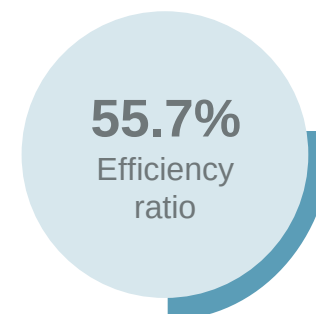
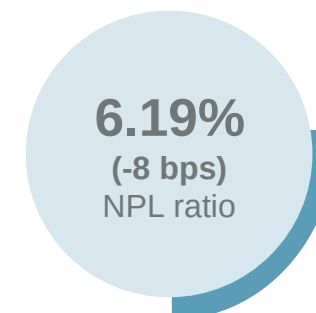
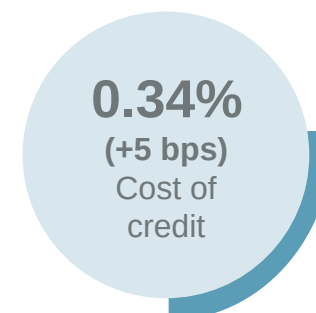
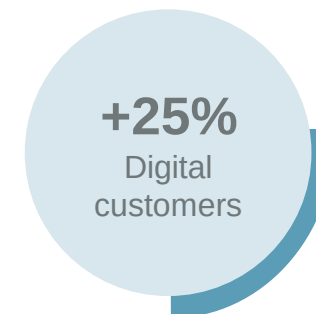
(*) EUR mn Note: Q4'18 DGF contribution of EUR 226 mn

ACTIVITY

Volumes in EUR bn



Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds
Customers and credit quality ratios YoY change. Underlying RoTE





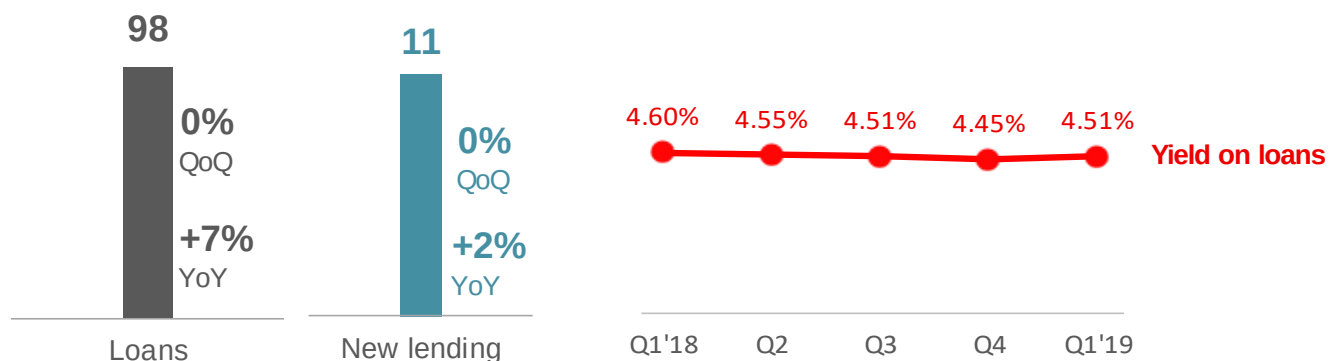
SCF: leadership in Europe with best-in-class profitability (RoRWA: 2.3%) and efficiency. Historically low NPL ratio and cost of credit

P&L*	Q1'19	% Q4'18	% Q1'18
NII	941	0.0	3.3
Net fee income	214	13.4	-0.1
Total income	1,167	-1.5	2.8
Operating expenses	-507	2.8	0.0
LLPs	-122	158.1	1.6
PBT	562	17.4	5.5
Attributable profit	325	10.2	1.1

(*) EUR mn and % change in constant euros

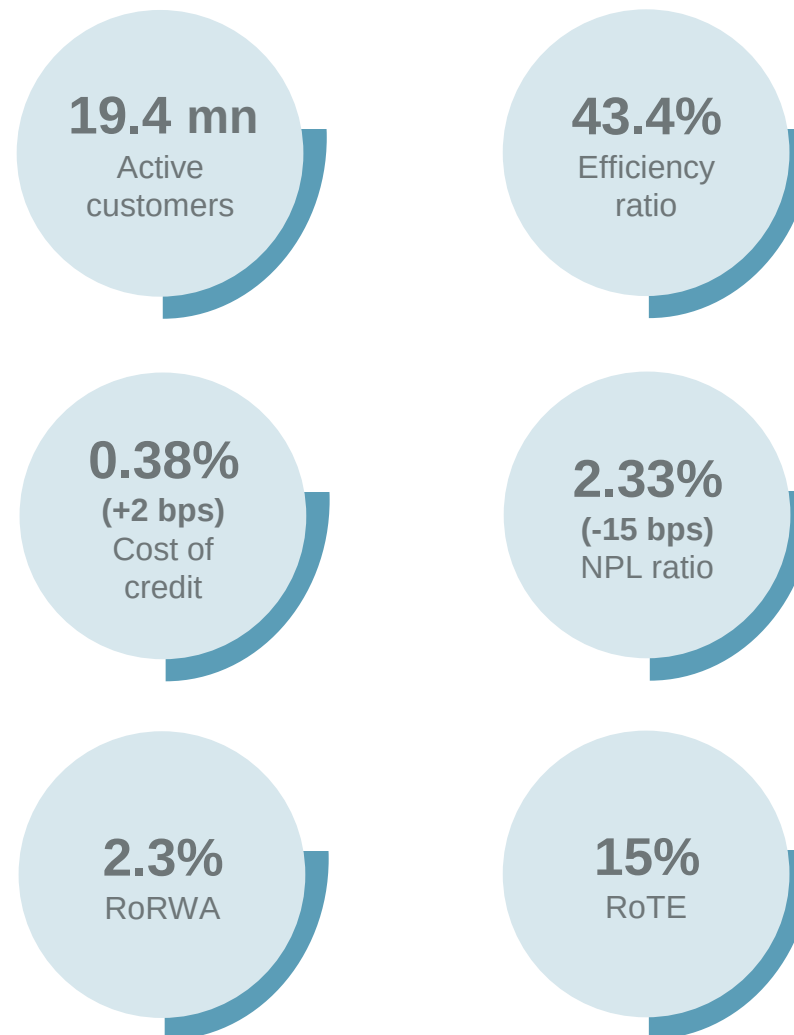
ACTIVITY

Volumes in EUR bn and % change in constant euros



Note: Loans excluding reverse repos. Credit quality ratios YoY change. Underlying RoTE

Excluding Santander Consumer UK profit, which is recorded in Santander UK results. Including it, Q1'19 attributable profit: EUR 358 mn (+2% vs. Q1'18 and +8% vs. Q4'18)





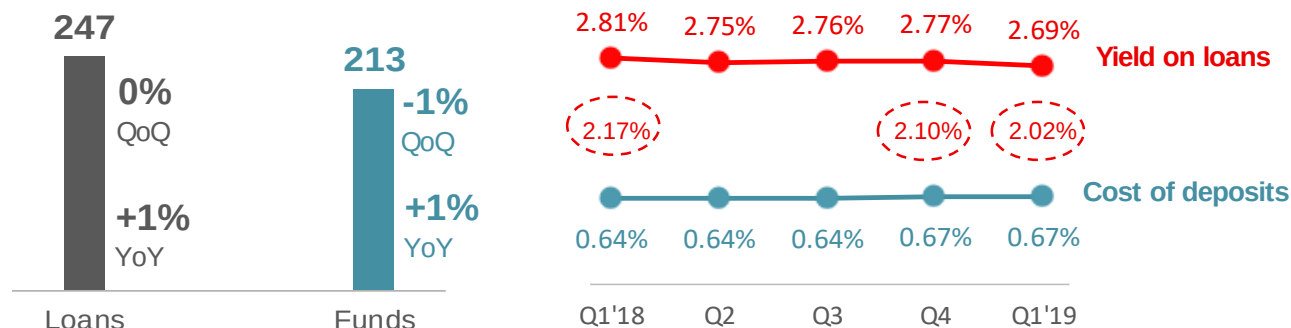
UK: underlying results reflect competitive pressure on revenue, the current uncertain environment and higher technology and projects costs. Non-recurring restructuring charges in Q1'19

P&L*	Q1'19	% Q4'18	% Q1'18
NII	1,001	-4.7	-4.2
Net fee income	243	-7.0	-0.9
Total income	1,280	-5.4	-6.3
Operating expenses	-783	4.3	1.2
LLPs	-64	41.1	-5.0
PBT	380	-5.1	-17.8
Underlying att. profit	271	-6.7	-16.3
Net capital gains and provisions ¹	-66	--	--
Attributable profit	205	-29.6	-36.8

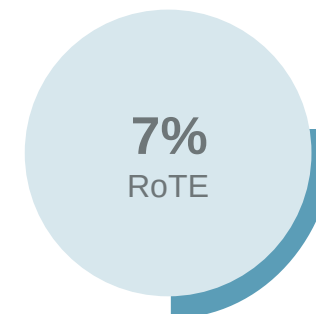
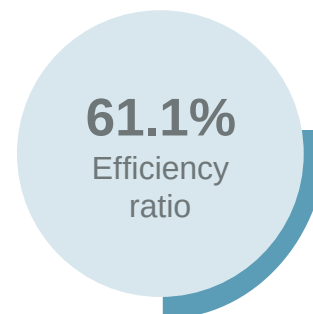
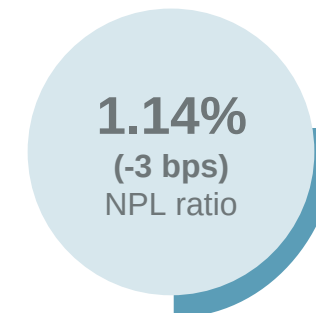
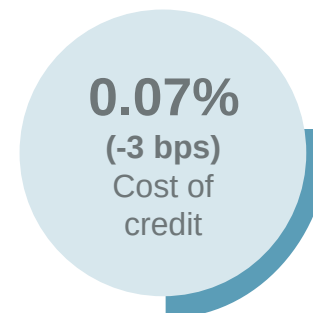
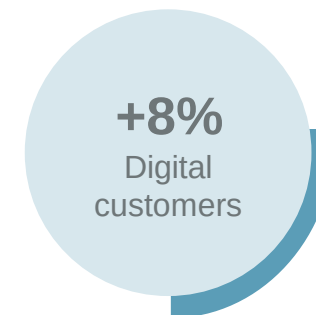
(*) EUR mn and % change in constant euro(£) Restructuring costs after tax

ACTIVITY

Volumes in EUR bn and % change in constant euros



Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds
Customers and credit quality ratios YoY change. Underlying RoTE



Other units: larger customer base, higher profits and better credit quality



Continued to strengthen our distribution model, reflected in an increase in customer base, volumes and profitability

Double-digit profit growth due to higher customer revenue and lower cost of credit

Attributable profit

EUR 206 mn
+12%

RoTE

20%



Very positive quarter for Santander US, with strong business and profit growth

SBNA increased volumes with higher NIM. SC USA maintained high RoTE (18%¹)

Double QoQ profit, as Q4'18 was affected by seasonal factors. NII and LLPs comparison impacted by reclassification of TDRs, mainly QoQ

EUR 182 mn
+35%

5%¹



Business **volumes grew** at a faster pace in core products

Profit up driven by **cost control and improved credit quality**. NII affected by flat inflation (UF)

EUR 149 mn
+1%

16%

Other units: larger customer base and integration processes



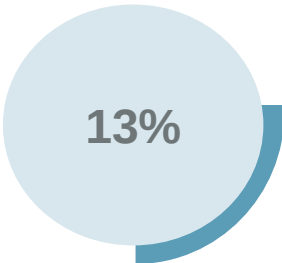
Strong new lending, widespread **market share gains**

Profit growth thanks to ALCO sales, lower costs due to integration synergies and LLPs release (strong improvement in NPL ratio: -252 bps YoY)

Attributable profit



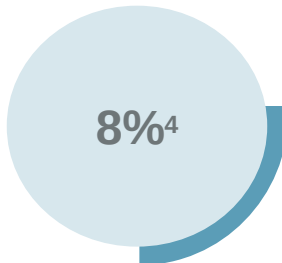
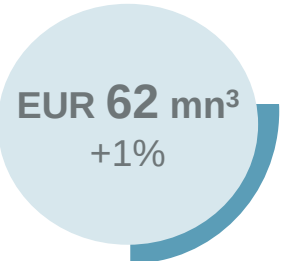
RoTE



YoY **volume growth** across all key products **boosted by DBP integration**

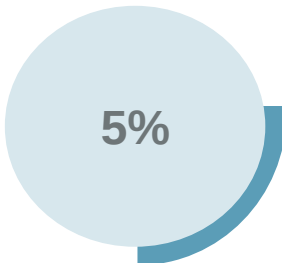
QoQ volumes affected by liquidity and cost of deposits management

PBT increase QoQ and YoY **absorbing higher BFG¹ and Banking Tax**



Profit hit by high inflation adjustments² and increased provisions

The **partial sale of our stake in Prisma** generated a capital gain of EUR 150 mn



Note: % change YoY in constant euros. Underlying RoTE

(1) Bank Guarantee Fund

(2) Total impact EUR -53 mn (monetary adjustment EUR -38 mn; use of fixing exchange rates instead of average rates EUR -15 mn)

(3) Underlying attributable profit

(4) Adjusted RoTE for 11.30% CET1, 14%

Corporate Centre

P&L*	Q1'19	Q1'18
NII	-284	-224
Gains/Losses on FT	-79	12
Operating expenses	-119	-121
Provisions and other income	-46	-79
Tax and minority interests	35	6
Underlying att. profit	-514	-421
Net capital gains and provisions	-180	0
Attributable profit	-694	-421

(*) EUR mn

Greater loss in NII due to higher stock of issuances and IFRS 16 impact

Higher FX hedging cost reflected in results from financial transactions

Operating expenses reflect two impacts: on one hand, streamlining and simplification measures and, on the other hand, investment in global projects for the Group's digital transformation

Real estate disposal¹ in Q1'19

Concluding
remarks



03

Main takeaways for the short-term

Q1'19 summary

- In an challenging market, **we have increased our customer base and volumes**
- **Solid underlying trends in the income statement:** YoY growth in customer revenue, cost control and lower LLPs
- **Strong organic capital generation** and **TNAVps increase**
- 11.3% **underlying RoTE affected** by **market weakness and accounting impacts**

Short-term view

- In a scenario of lower economic growth, **all our core markets are projected to grow** (except Argentina until 2020). **In Santander's footprint, 1.9% GDP¹ growth in 2019**
- In an environment with mixed trends in volumes, **we expect to grow in revenue supported by higher volumes** (mainly in the Americas) **and larger customer base** (active, loyal and digital customers)
- We expect **controlled costs, capturing synergies and efficiencies**, and **a cost of credit** which should remain at **low levels**
- We aim to **gain market share, improve our profitability and strengthen our capital management**
- We have **announced two operations**, in line with **our strategy of improving our profitability and deploying capital to countries with the highest growth & profitability and to capital light businesses**

Voluntary offer to acquire all shares of Banco Santander Mexico not already held by the Santander Group (c. 25% of Santander Mexico's share capital)

Rationale of the transaction

Transaction is consistent with Santander Group strategy

Mexico has attractive fundamentals

Santander: a leading bank in Mexico that remains a key component of Santander's growth history in LatAm

Attractive transaction for **Santander Group** shareholders ...

EPS neutral

RoI in euros

c. 14.5%

Slightly positive impact on Group CET1 ratio

... as well as for **Santander Mexico** shareholders

Opportunity to monetise at a **14% premium** for Santander Mexico shareholders¹

Implied 22% premium based on past 1 month volume weighted average price

Santander offer price is higher than current consensus target price at MXN 30 per share²

Gaining exposure to a global and well diversified leading financial institutions with predictable earnings potential

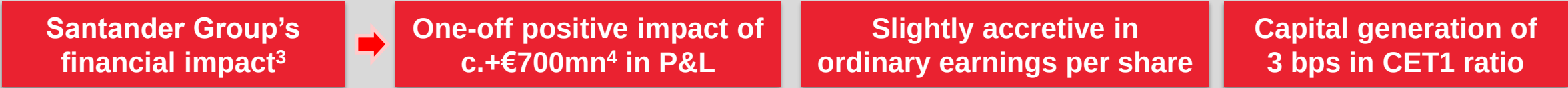


Increase our presence in high growth markets

Crédit Agricole and Santander to join¹ forces and create a major global player in custody and asset servicing

Rationale of the transaction

- Transaction is consistent with Santander Group strategy
- Geographical and product range complementarity improving the offering to customers
- Build a Top 2 player in Europe by profit, while remaining a regional player in LatAm

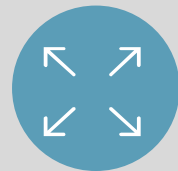


(1) Signed a Memorandum of Understanding. The signing of the final agreements between Crédit Agricole S.A. and Santander requires prior consultation with the relevant works councils
(2) Crédit Agricole S.A. and Santander would hold 69.5% and 30.5% respectively of the combined entity that will keep the name CACEIS
(3) Estimated data and under condition that the transaction is carried out
(4) The Group expects to apply the referred capital gain to extraordinary charges and provisions

We are making progress towards our medium-term goals:

We are confident our strategy will drive further loyal customers growth while increasing EPS and TNAV per share

Medium-term goals



Growth



Profitability



Strength

Appendix



04

Other countries results

Global business results

Liquidity

NPL and coverage ratios and cost of credit

Quarterly income statements



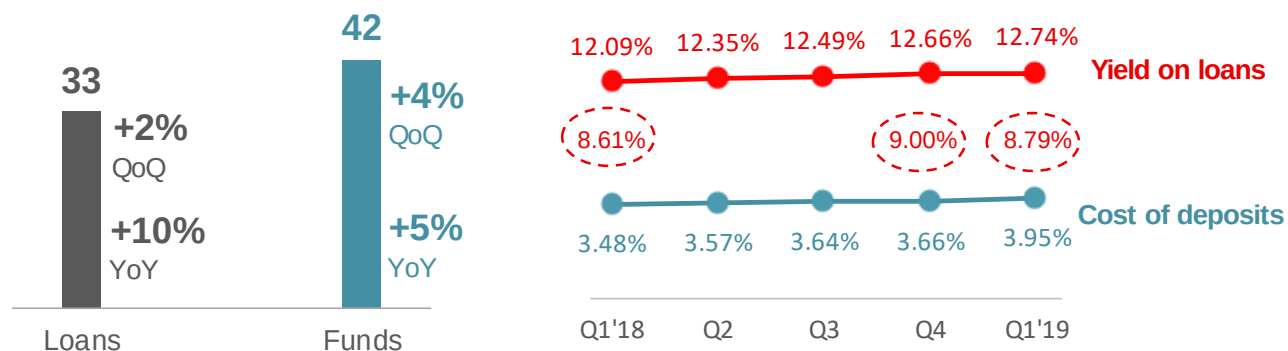
Mexico: continued to increase customer base, volumes and profitability. Double-digit profit growth due to higher customer revenue and lower cost of credit

P&L*	Q1'19	% Q4'18	% Q1'18
NII	766	0.8	11.8
Net fee income	204	8.7	3.3
Total income	939	1.0	6.9
Operating expenses	-395	1.3	9.9
LLPs	-193	-13.2	-8.6
PBT	345	3.2	13.6
Attributable profit	206	-3.2	12.0

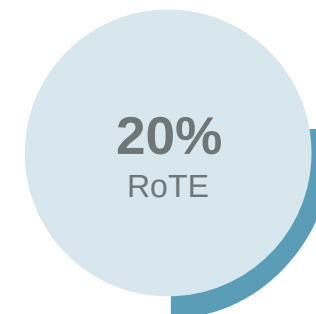
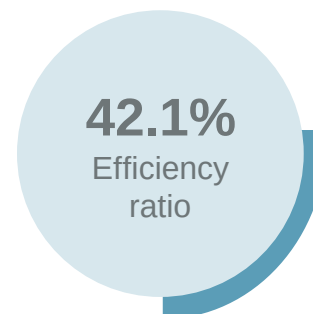
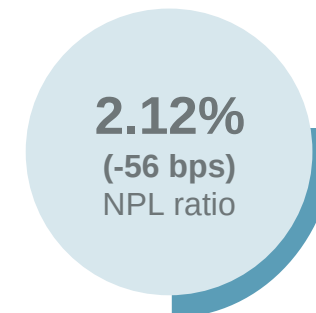
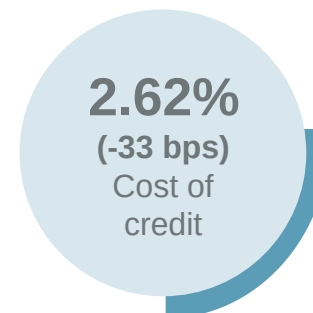
(*) EUR mn and % change in constant euros

ACTIVITY

Volumes in EUR bn and % change in constant euros



Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds
Customers and credit quality ratios YoY change. Underlying RoTE





USA: very positive quarter for Santander US, with strong business and profit growth.

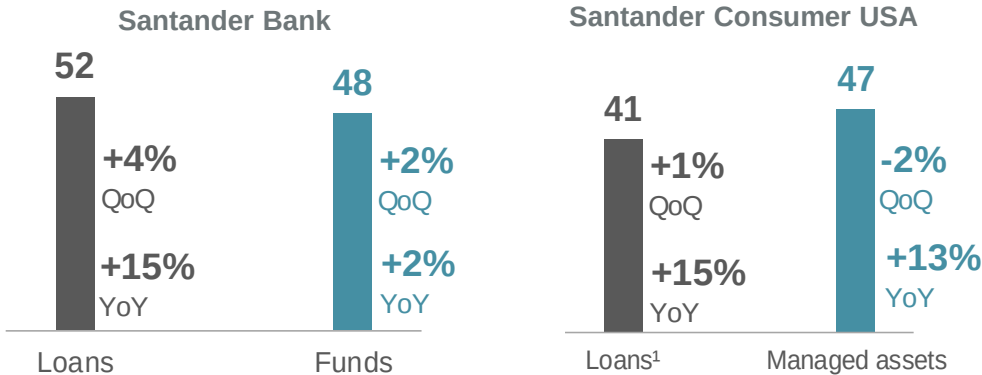
NII and LLP comparison impacted by reclassification of TDRs, mainly QoQ

P&L*	Q1'19	% Q4'18	% Q1'18
NII	1,407	-10.2 -1%	6.5 +3%
Net fee income	234	7.4	1.0
Total income	1,815	-8.5 -1%	6.2 +4%
Operating expenses	-774	-3.1	-2.7
LLPs	-611	-36.4 -24%	-2.5 -9%
PBT	371	124.1	42.3
Attributable profit	182	102.5	34.7

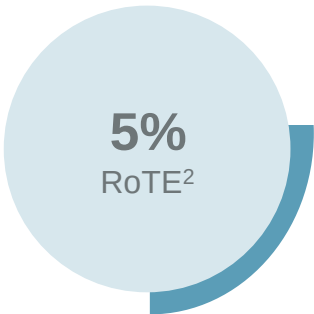
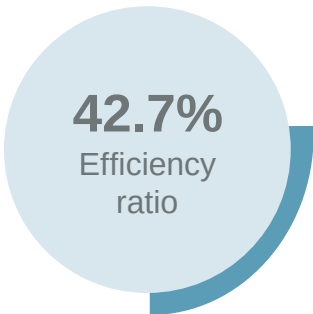
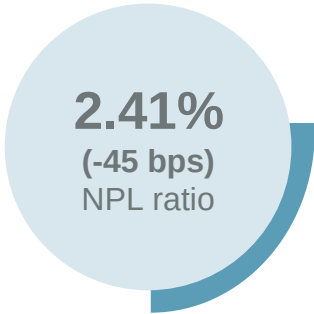
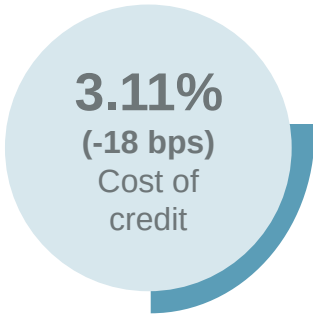
(*) EUR mn and % change in constant euros - Changes excluding TDRs impact

ACTIVITY

Volumes in EUR bn and % change in constant euros



Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds Customers and credit quality ratios YoY change
 Santander Bank's customers (1) Includes leasing (2) Adjusted RoTE for 11.30% CET1: Santander US 9% and SC USA 27%



SC USA RoTE: 18%²



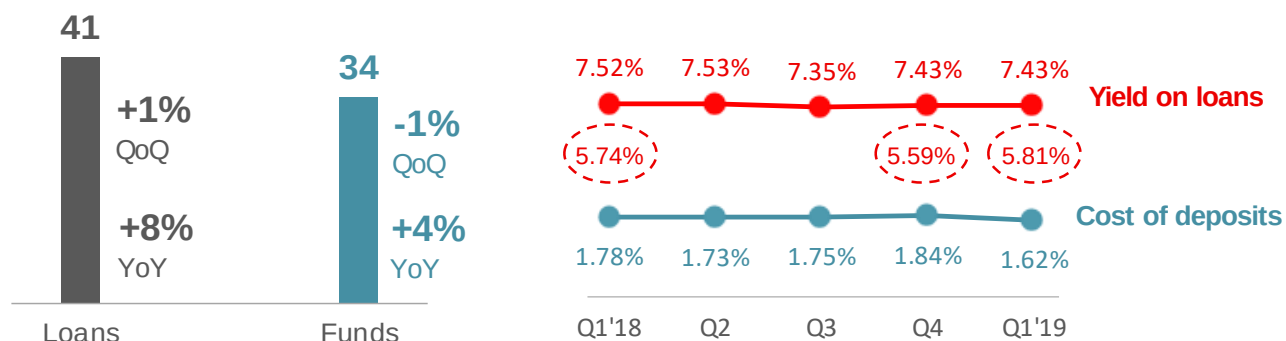
Chile: faster growth in core products. NII affected by flat inflation (UF). Better performance of costs and credit quality

P&L*	Q1'19	% Q4'18	% Q1'18
NII	440	-10.0	-8.0
Net fee income	103	5.5	-4.6
Total income	600	-5.9	-4.1
Operating expenses	-255	-3.6	1.0
LLPs	-102	-16.6	-13.7
PBT	280	-0.4	1.6
Attributable profit	149	-5.2	1.3

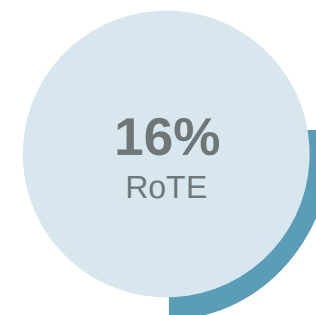
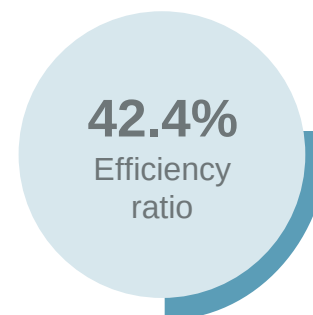
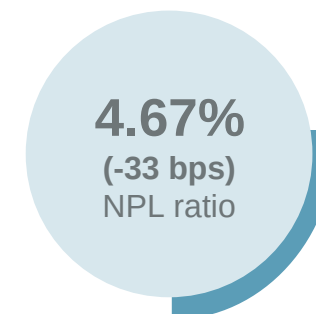
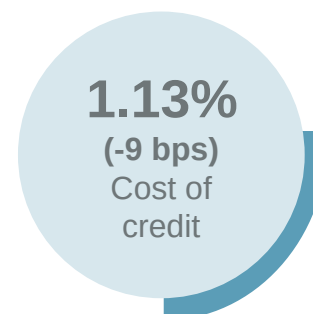
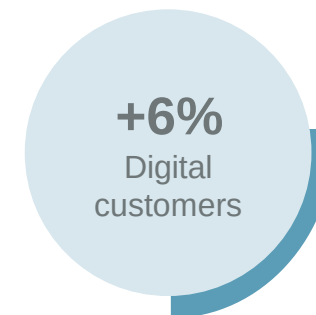
(*) EUR mn and % change in constant euros

ACTIVITY

Volumes in EUR bn and % change in constant euros



Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds
 Customers and credit quality ratios YoY change. Underlying RoTE





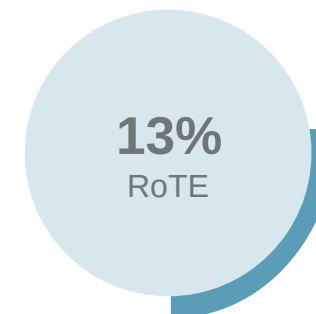
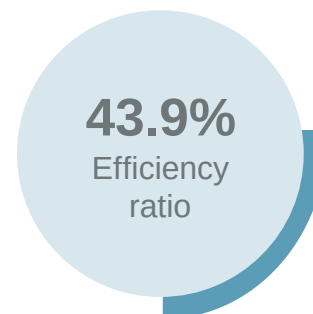
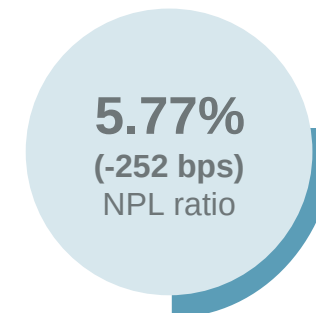
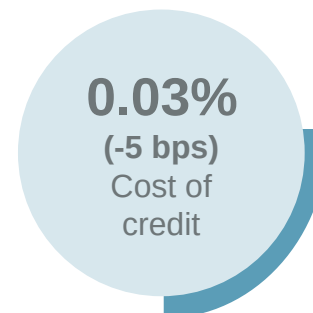
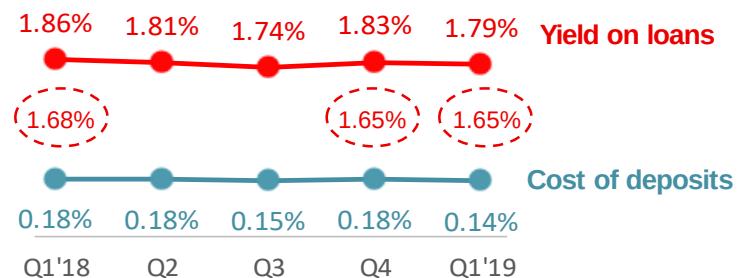
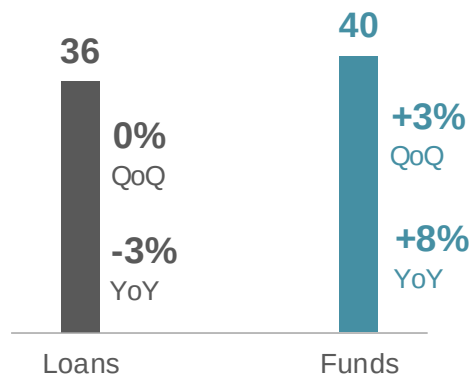
Portugal: Profit growth thanks to ALCO sales, lower costs due to integration synergies and LLP release (strong improvement in credit quality). Market share gains

P&L*	Q1'19	% Q4'18	% Q1'18
NII	216	2.1	-2.7
Net fee income	98	2.3	0.3
Total income	357	7.1	4.8
Operating expenses	-157	-3.0	-1.1
LLPs	13	--	--
PBT	194	-0.9	16.8
Attributable profit	135	-0.4	6.7

(*) EUR mn

ACTIVITY

Volumes in EUR bn





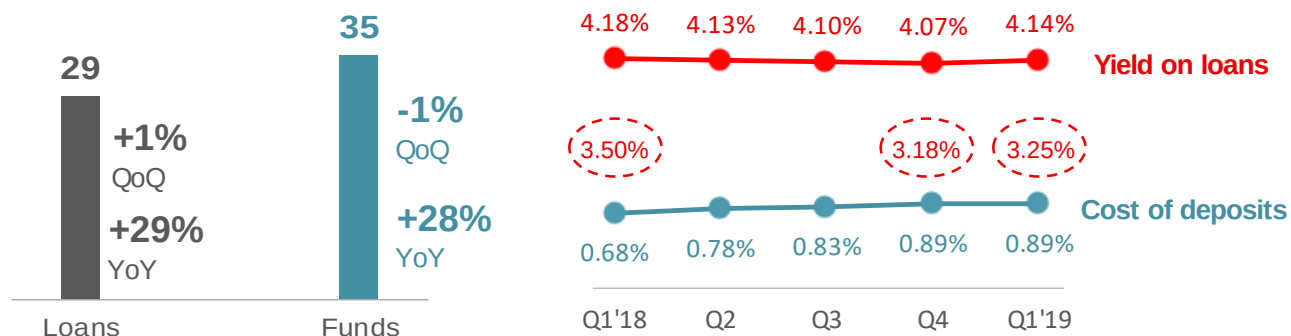
Poland: YoY volume growth boosted by DBP integration (QoQ affected by liquidity and cost of deposits management). PBT increase QoQ and YoY absorbing higher BFG¹ and Banking Tax¹

P&L*	Q1'19	% Q4'18	% Q1'18
NII	281	6.2	17.3
Net fee income	113	-1.0	4.0
Total income	377	-3.1	16.6
Operating expenses	-172	4.8	15.4
LLPs	-43	4.8	-2.9
PBT	128	4.1	9.6
Underlying att. profit	62	0.4	1.0
Net capital gains and provisions ²	-12	--	--
Attributable profit	50	-53.0	-18.4

(*) EUR mn and % change in constant euros (2) Restructuring costs in Q1'19 and DBP badwill in Q4'18

ACTIVITY

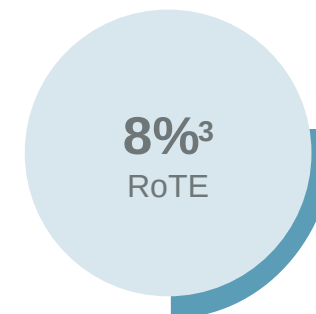
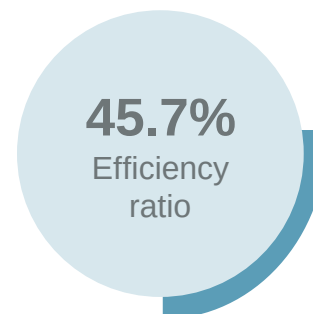
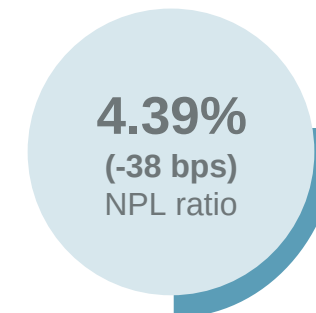
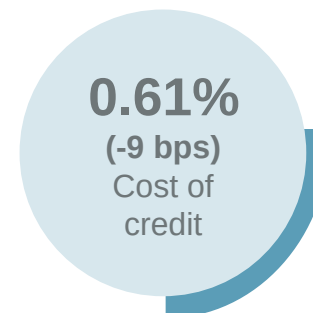
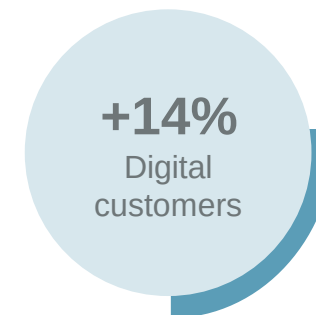
Volumes in EUR bn and % change in constant euros



Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds. Underlying RoTE

(1) Higher contribution to BFG and Banking Tax YoY due to DBP integration Customers and credit quality ratios YoY change

(3) Adjusted RoTE for 11.30% CET1, 14%





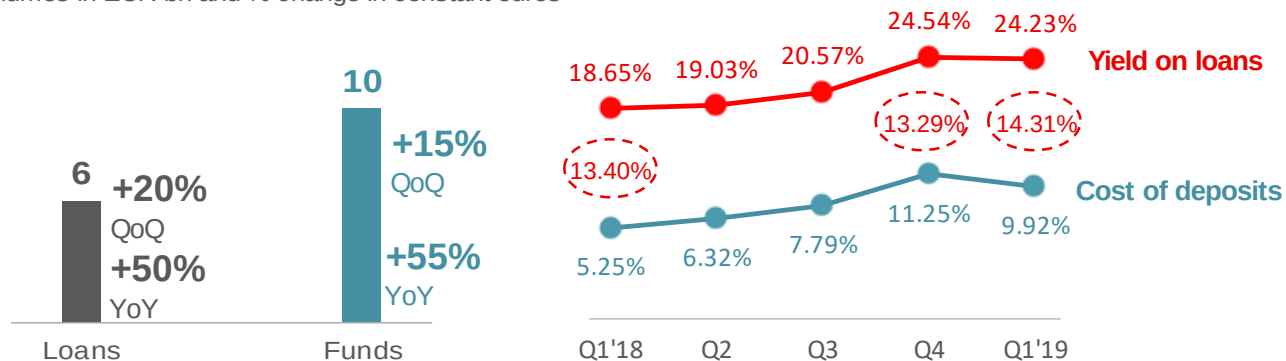
Argentina: Profit hit by high inflation adjustments and increased provisions. The partial disposal of our stake in Prisma generated a capital gain of EUR 150 mn

P&L*	Q1'19	% Q4'18	% Q1'18
NII	213	18.9	95.6
Net fee income	116	9.2	75.8
Total income	331	35.9	72.3
Operating expenses	-202	12.4	81.3
LLPs	-73	31.6	187.6
PBT	34	--	-27.2
Underlying att. profit	11	--	-67.9
Net capital gains and provisions ¹	150	--	--
Attributable profit	161	--	--

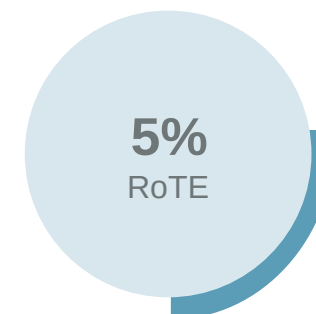
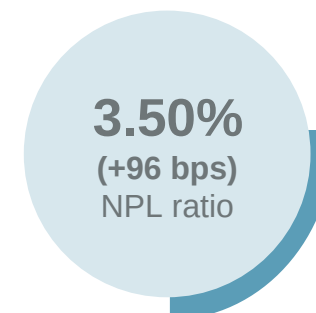
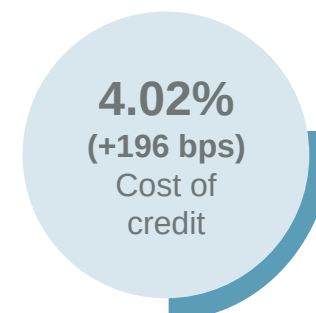
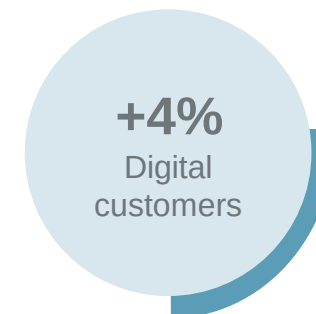
(*) EUR mn and % change in constant euros (1) Capital gains due to the disposal of part of our stake in Prisma

ACTIVITY

Volumes in EUR bn and % change in constant euros



Note: Loans excluding reverse repos. Funds: deposits excluding repos + marketed mutual funds
Customers and credit quality ratios YoY change. Efficiency ratio and RoTE impacted by high inflation adjustments account. Underlying RoTE

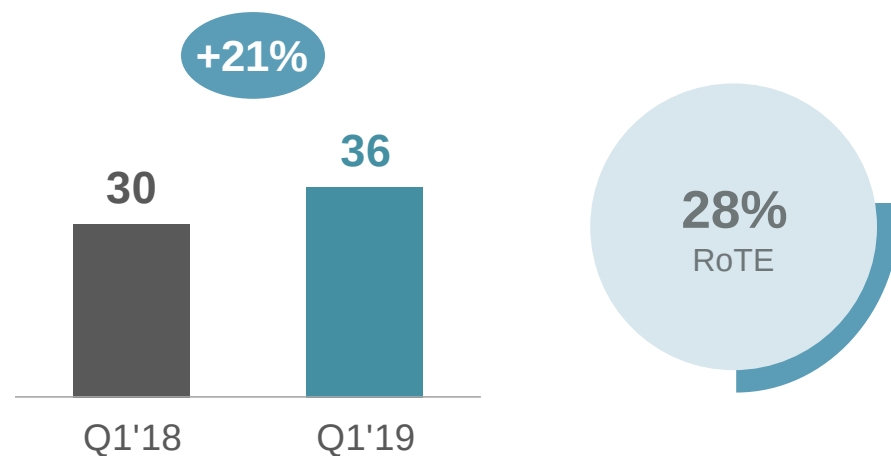


Other Latin American countries



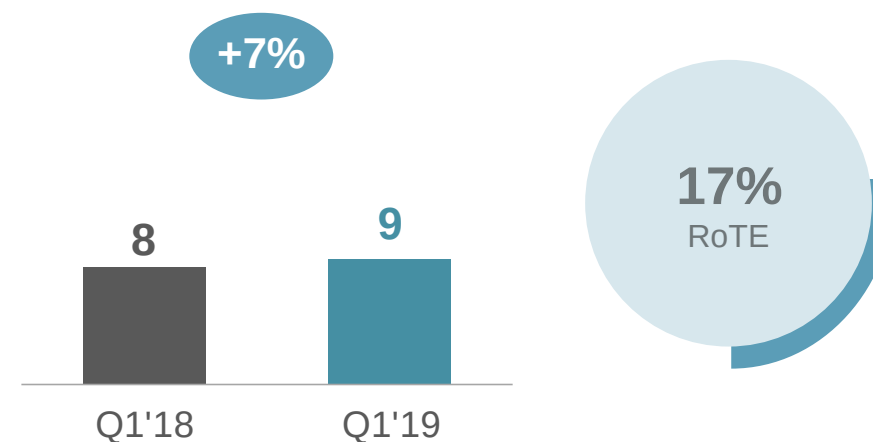
URUGUAY

Attributable profit in constant EUR mn



PERU

Attributable profit in constant EUR mn



Focusing on loyalty, transactions and target segments

Uruguay's profit driven by higher customer revenues, with improved C/I

Peru's higher revenue more than offset the cost and LLP increases

Other countries results

Global business results

Liquidity

NPL and coverage ratios and cost of credit

Quarterly income statements

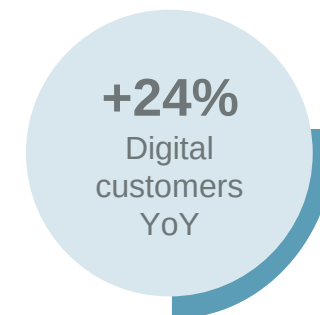
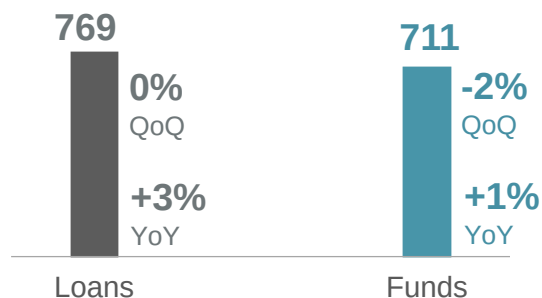
Retail Banking: Continued focus on customer loyalty and digital transformation. We continued to launch new products and services that cover the needs of our customers

P&L*	Q1'19	% Q4'18	% Q1'18
NII	8,213	-3.2	3.9
Net fee income	2,303	0.9	4.9
Total income	10,768	-2.7	2.9
Operating expenses	-4,849	-1.9	1.4
LLPs	-2,136	-9.1	-0.1
PBT	3,409	7.5	5.8
Underlying att. profit	1,920	0.9	1.2
Net capital gains and provisions ¹	72	57.2	—
Attributable profit	1,991	2.2	5.0

(*) EUR mn and % change in constant euros

ACTIVITY

EUR bn and % change in constant euros



Underlying attributable profit rose 1% YoY, driven by the good dynamics in customer revenue (+4%), with controlled costs and stable provisions

Of note were the performance of Latin America and the US

Corporate & Investment Banking: Profit remained stable YoY with good evolution of value-added businesses, offset by reduced activity in markets

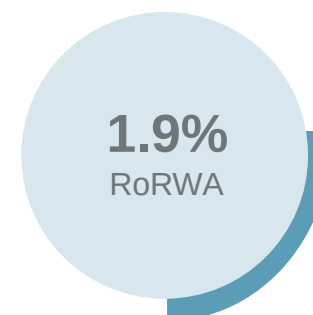
P&L*	Q1'19	% Q4'18	% Q1'18
NII	644	-6.3	20.9
Net fee income	362	-3.2	-8.4
Gains or losses on financ. trans.	233	46.9	-27.6
Total income	1,296	0.3	0.9
Operating expenses	-560	3.3	7.9
LLPs	-10	-83.4	-86.0
PBT	706	8.6	1.6
Attributable profit	457	9.2	-0.3

(*) EUR mn and % change in constant euros

REVENUE

Constant EUR mn

TOTAL	1,284	+1%	1,296
Capital & Other	91	+44%	131
Global Markets	482	-16%	404
Global Debt Financing	318	+2%	322
Global Transaction Banking	393	+11%	438
	Q1'18		Q1'19



Leading positions in Latin America and Europe, particularly in Export & Agency Finance and Structured Financing

Continued support to global customers in their capital issuances, with financing solutions and transactional services

Wealth Management: Continued to develop the strategic initiatives launched in our first year: development of Private Banking's global and digital platform and strengthening SAM's value proposition

P&L*	Q1'19	% Q4'18	% Q1'18
NII	113	5.4	11.1
Net fee income	277	2.7	0.5
Total income	402	3.1	6.0
Operating expenses	-193	7.0	4.5
LLPs	7	—	—
PBT	213	3.1	12.8
Attributable profit	142	5.6	14.2

(*) EUR mn and % change in constant euros

Total contribution to
Group's profit¹

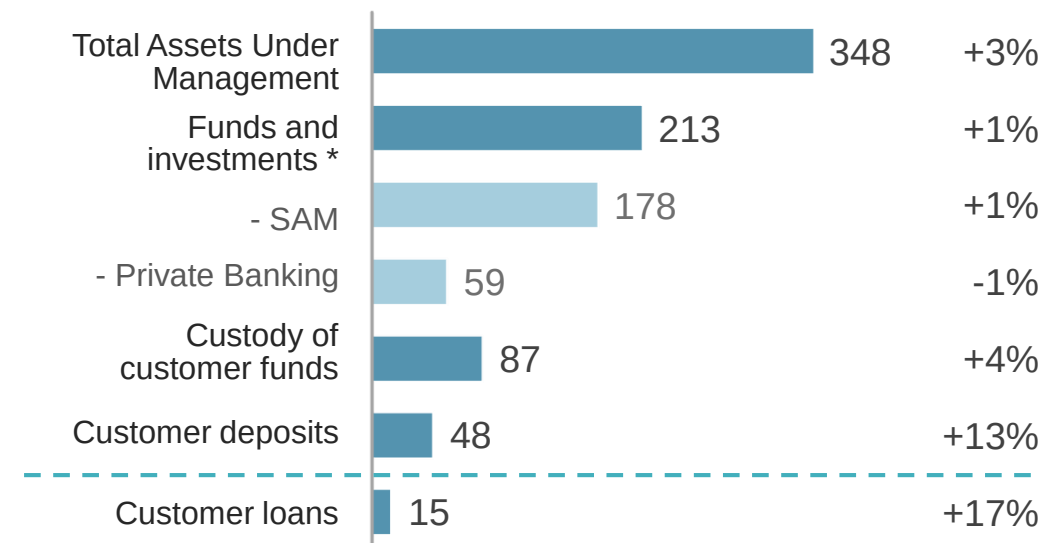


Cross-border
collaboration volumes



ACTIVITY

Constant EUR bn and % change YoY



(*) Total adjusted for funds from private banking customers managed by SAM

Note: Total assets marketed and/or managed in 2019 and 2018

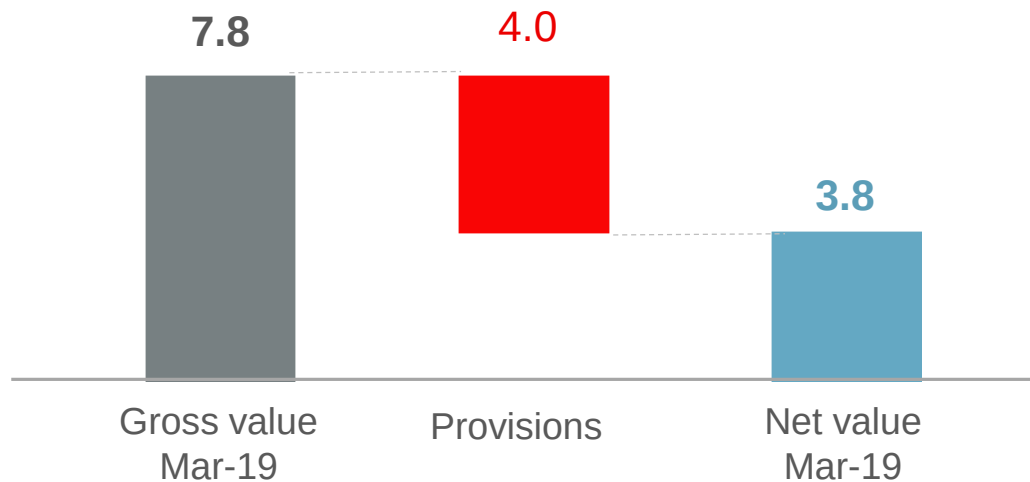
Profit growth driven by increases in loans and recovery of AuM volumes in the last few months

Insurance business, which generated EUR 348 million of total contribution to profit in the first quarter, will be added to this division during 2019

Real Estate Activity Spain: Management continued to be aimed at reducing these assets, particularly loans and foreclosed assets

Real estate exposure¹

EUR bn



Net value

EUR bn

	Mar-19
Real estate assets	3.0
Foreclosed assets	2.3
Rental assets	0.7
RE non-performing loans (NPLs)	0.8
RE assets + RE non-performing loans	3.8

Gross volume fell EUR 1.5 bn QoQ mainly due to the completion of the agreement reached in 2018 with a subsidiary of Cerberus Capital Management to sell a portfolio of residential properties

Loss of EUR 56 million in Q1'19 vs loss of EUR 65 million in Q1'18

Other countries results

Global business results

Liquidity

NPL and coverage ratios and cost of credit

Quarterly income statements

Solid liquidity ratios with funding plans designed to adequately manage balance sheet structure and cover debt maturities

Key liquidity ratios

Mar-19

Net loan-to-deposit ratio (LTD):	113%
Deposits + M/LT funding / net loans:	113%
Liquidity Coverage Ratio (LCR)¹:	150%

Comfortable liquidity position
(Group and subsidiaries)

Funding plan - issuances

Jan-Mar 19

Group issuances²	EUR 6.6bn (~EUR 1bn TLAC-eligible)
Main issuers	Parent bank, SCF and UK
Main issuance currencies	EUR, USD, GBP

Focus on managing our funding structure, following
our decentralised liquidity and funding model

Other countries results

Global business results

Liquidity

NPL and coverage ratios and cost of credit

Quarterly income statements

Coverage ratio by stage

EUR bn	Exposure ¹	Coverage	
	Mar-19	Mar-19	Mar-18
Stage 1	870	0.5%	0.5%
Stage 2	54	9.1%	8.6%
Stage 3	36	42.4%	44.6%

NPL ratio

%

	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Continental Europe	5.81	5.68	5.57	5.25	5.17
Spain	6.27	6.24	6.23	6.19	6.19
Santander Consumer Finance	2.48	2.44	2.45	2.29	2.33
Poland	4.77	4.58	4.23	4.28	4.39
Portugal	8.29	7.55	7.43	5.94	5.77
United Kingdom	1.17	1.12	1.10	1.05	1.14
Latin America	4.43	4.40	4.33	4.34	4.28
Brazil	5.26	5.26	5.26	5.25	5.26
Mexico	2.68	2.58	2.41	2.43	2.12
Chile	5.00	4.86	4.78	4.66	4.67
Argentina	2.54	2.40	2.47	3.17	3.50
US	2.86	2.91	3.00	2.92	2.41
Operating Areas	4.04	3.94	3.87	3.71	3.60
Total Group	4.02	3.92	3.87	3.73	3.62

Coverage ratio

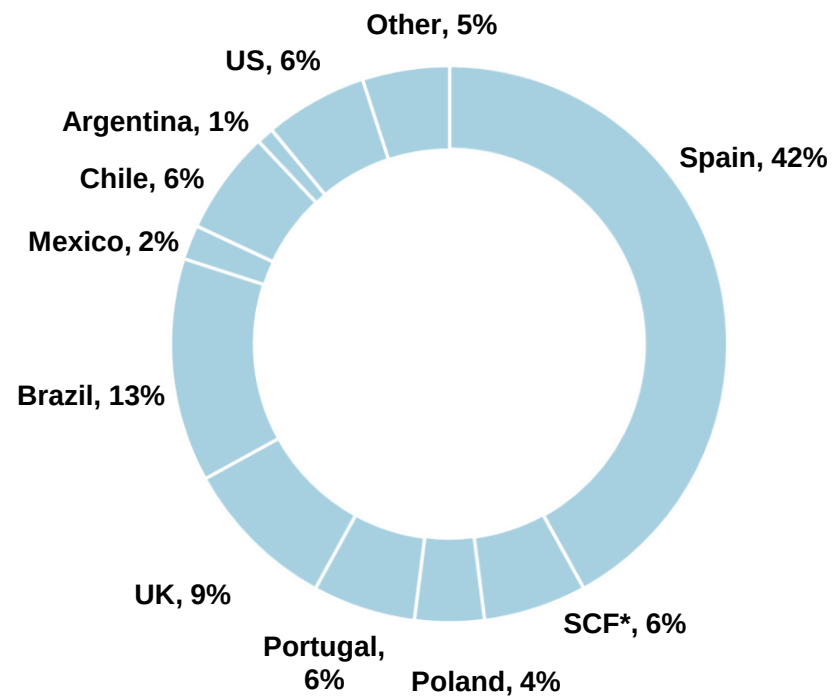
%

	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Continental Europe	56.8	55.2	54.4	52.2	52.1
Spain	51.1	49.0	47.7	45.0	44.1
Santander Consumer Finance	107.2	107.7	106.4	106.4	105.3
Poland	72.0	72.1	71.6	67.1	67.6
Portugal	53.9	52.7	53.4	50.5	50.7
United Kingdom	34.6	34.0	33.1	33.0	31.0
Latin America	98.4	96.8	97.1	97.3	97.7
Brazil	110.4	108.7	109.1	106.9	107.7
Mexico	113.5	116.1	120.5	119.7	130.1
Chile	61.0	60.0	59.6	60.6	59.7
Argentina	121.3	121.5	124.0	135.0	118.6
US	169.1	156.9	145.5	142.8	161.0
Operating Areas	69.7	68.3	67.6	67.1	67.3
Total Group	70.0	68.6	67.9	67.4	67.8

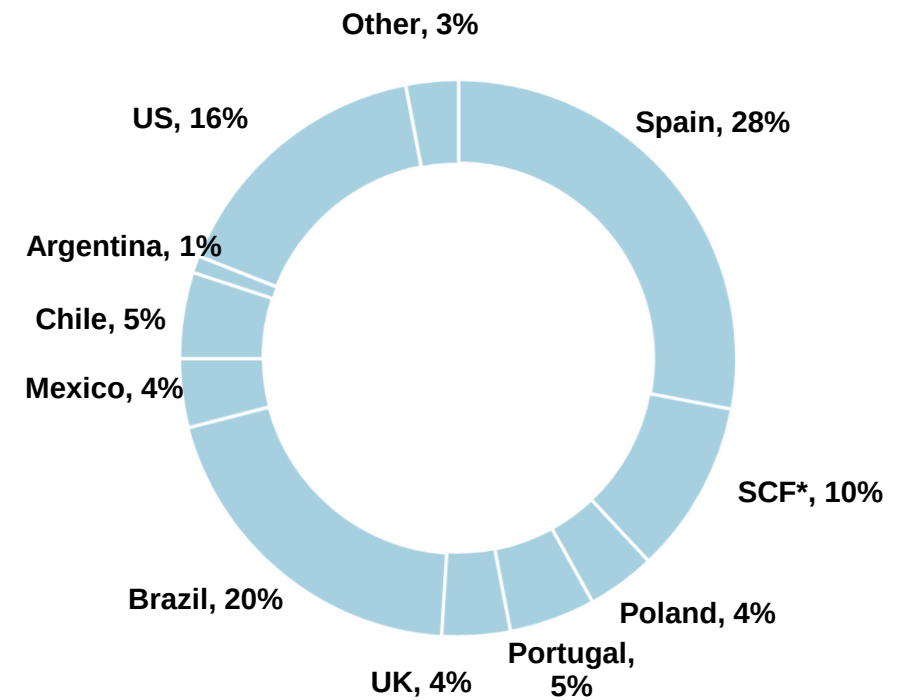
Non-performing loans and loan-loss allowances. March 2019

Non-performing loans

100%: EUR 35,590 million

**Loan-loss allowances**

100%: EUR 24,129 million



Cost of credit

%

	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Continental Europe	0.32	0.34	0.37	0.36	0.36
Spain	0.29	0.31	0.35	0.33	0.34
Santander Consumer Finance	0.36	0.37	0.40	0.38	0.38
Poland	0.69	0.71	0.69	0.65	0.61
Portugal	0.08	0.10	0.03	0.09	0.03
United Kingdom	0.10	0.10	0.08	0.07	0.07
Latin America	3.12	3.04	2.94	2.95	2.83
Brazil	4.35	4.30	4.17	4.06	3.88
Mexico	2.95	2.78	2.72	2.75	2.62
Chile	1.22	1.18	1.18	1.19	1.13
Argentina	2.06	2.47	2.92	3.45	4.02
US	3.29	3.02	3.00	3.27	3.11
Operating Areas	1.03	0.99	0.97	0.99	0.97
Total Group	1.04	0.99	0.98	1.00	0.97

Other countries results

Global business results

Liquidity

NPL and coverage ratios and cost of credit

Quarterly income statements

Grupo Santander

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	11,409	11,411	10,989	12,017	11,613
Total income	12,151	12,011	11,720	12,542	12,085
Operating expenses	(5,764)	(5,718)	(5,361)	(5,936)	(5,758)
Net operating income	6,387	6,293	6,359	6,606	6,327
Net loan-loss provisions	(2,282)	(2,015)	(2,121)	(2,455)	(2,172)
Other	(416)	(487)	(488)	(605)	(471)
Underlying profit before tax	3,689	3,791	3,750	3,546	3,684
Underlying consolidated profit	2,409	2,412	2,356	2,369	2,358
Underlying attributable profit	2,054	1,998	1,990	2,022	1,948
Net capital gains and provisions*	—	(300)	—	46	(108)
Attributable profit	2,054	1,698	1,990	2,068	1,840

Grupo Santander

Constant EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	11,162	11,368	11,571	11,917	11,613
Total income	11,898	11,950	12,354	12,450	12,085
Operating expenses	(5,657)	(5,686)	(5,642)	(5,845)	(5,758)
Net operating income	6,242	6,265	6,712	6,605	6,327
Net loan-loss provisions	(2,257)	(2,013)	(2,244)	(2,451)	(2,172)
Other	(400)	(473)	(524)	(602)	(471)
Underlying profit before tax	3,585	3,779	3,944	3,552	3,684
Underlying consolidated profit	2,346	2,406	2,481	2,382	2,358
Underlying attributable profit	1,993	1,986	2,107	2,031	1,948
Net capital gains and provisions*	—	(300)	—	46	(108)
Attributable profit	1,993	1,686	2,107	2,077	1,840

Spain

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	1,710	1,729	1,769	1,783	1,713
Total income	2,063	1,837	2,114	1,880	1,938
Operating expenses	(1,145)	(1,123)	(1,103)	(1,110)	(1,079)
Net operating income	918	714	1,012	770	858
Net loan-loss provisions	(207)	(196)	(197)	(129)	(218)
Other	(104)	(86)	(102)	(70)	(97)
Underlying profit before tax	608	432	713	571	544
Underlying consolidated profit	455	326	526	432	403
Underlying attributable profit	455	325	526	432	403
Net capital gains and provisions*	—	(280)	—	—	—
Attributable profit	455	45	526	432	403

Santander Consumer Finance

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	1,130	1,116	1,143	1,132	1,155
Total income	1,140	1,126	1,157	1,187	1,167
Operating expenses	(509)	(507)	(475)	(494)	(507)
Net operating income	631	619	682	693	660
Net loan-loss provisions	(120)	(69)	(124)	(47)	(122)
Other	24	13	5	(166)	24
Underlying profit before tax	535	563	562	480	562
Underlying consolidated profit	388	412	405	358	403
Underlying attributable profit	323	346	332	296	325
Net capital gains and provisions	—	—	—	—	—
Attributable profit	323	346	332	296	325

Santander Consumer Finance

Constant EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	1,125	1,112	1,141	1,130	1,155
Total income	1,136	1,122	1,154	1,186	1,167
Operating expenses	(507)	(506)	(474)	(494)	(507)
Net operating income	629	617	680	692	660
Net loan-loss provisions	(120)	(69)	(123)	(47)	(122)
Other	24	13	5	(166)	24
Underlying profit before tax	533	560	562	479	562
Underlying consolidated profit	387	410	405	357	403
Underlying attributable profit	321	344	331	295	325
Net capital gains and provisions	—	—	—	—	—
Attributable profit	321	344	331	295	325

Poland

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	359	355	354	380	395
Total income	333	398	367	390	377
Operating expenses	(154)	(162)	(156)	(165)	(172)
Net operating income	179	236	211	225	205
Net loan-loss provisions	(46)	(41)	(33)	(41)	(43)
Other	(13)	(34)	(26)	(61)	(34)
Underlying profit before tax	120	161	151	123	128
Underlying consolidated profit	89	132	114	88	90
Underlying attributable profit	63	93	80	62	62
Net capital gains and provisions*	—	—	—	45	(12)
Attributable profit	63	93	80	107	50

Poland

PLN million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	1,500	1,512	1,525	1,632	1,697
Total income	1,390	1,695	1,579	1,674	1,622
Operating expenses	(642)	(690)	(672)	(707)	(741)
Net operating income	748	1,005	907	967	881
Net loan-loss provisions	(191)	(175)	(143)	(177)	(186)
Other	(55)	(146)	(113)	(261)	(145)
Underlying profit before tax	502	684	651	528	550
Underlying consolidated profit	373	560	491	381	388
Underlying attributable profit	264	393	346	265	267
Net capital gains and provisions*	—	—	—	193	(51)
Attributable profit	264	393	346	458	215

Portugal

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	320	305	303	307	314
Total income	341	346	323	334	357
Operating expenses	(158)	(165)	(157)	(162)	(157)
Net operating income	183	182	166	172	201
Net loan-loss provisions	(8)	(0)	(11)	(12)	13
Other	(9)	(22)	13	36	(20)
Underlying profit before tax	166	159	167	196	194
Underlying consolidated profit	128	104	115	137	136
Underlying attributable profit	127	103	114	136	135
Net capital gains and provisions*	—	20	—	—	—
Attributable profit	127	123	114	136	135

United Kingdom

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	1,274	1,304	1,291	1,290	1,244
Total income	1,349	1,373	1,367	1,332	1,280
Operating expenses	(764)	(763)	(730)	(738)	(783)
Net operating income	586	610	637	593	497
Net loan-loss provisions	(66)	(37)	(26)	(44)	(64)
Other	(62)	(47)	(62)	(155)	(53)
Underlying profit before tax	457	526	549	394	380
Underlying consolidated profit	326	380	391	291	276
Underlying attributable profit	320	372	385	286	271
Net capital gains and provisions*	—	—	—	—	(66)
Attributable profit	320	372	385	286	205

United Kingdom

GBP million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	1,125	1,142	1,152	1,144	1,085
Total income	1,192	1,203	1,220	1,181	1,117
Operating expenses	(675)	(669)	(651)	(655)	(683)
Net operating income	517	534	568	526	434
Net loan-loss provisions	(58)	(32)	(23)	(39)	(56)
Other	(55)	(41)	(56)	(137)	(46)
Underlying profit before tax	404	461	490	350	332
Underlying consolidated profit	288	333	348	258	241
Underlying attributable profit	282	326	343	254	237
Net capital gains and provisions*	—	—	—	—	(58)
Attributable profit	282	326	343	254	179

Brazil

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	3,403	3,296	3,153	3,404	3,390
Total income	3,445	3,323	3,180	3,396	3,411
Operating expenses	(1,165)	(1,095)	(1,031)	(1,191)	(1,119)
Net operating income	2,280	2,228	2,149	2,205	2,292
Net loan-loss provisions	(822)	(750)	(665)	(726)	(710)
Other	(154)	(170)	(174)	(198)	(167)
Underlying profit before tax	1,304	1,308	1,310	1,281	1,414
Underlying consolidated profit	761	730	698	752	820
Underlying attributable profit	677	647	619	663	724
Net capital gains and provisions	—	—	—	—	—
Attributable profit	677	647	619	663	724

Brazil

BRL million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	13,568	14,121	14,451	14,779	14,496
Total income	13,737	14,241	14,579	14,747	14,587
Operating expenses	(4,644)	(4,697)	(4,736)	(5,169)	(4,786)
Net operating income	9,093	9,544	9,843	9,579	9,800
Net loan-loss provisions	(3,276)	(3,220)	(3,070)	(3,155)	(3,037)
Other	(615)	(727)	(793)	(859)	(716)
Underlying profit before tax	5,202	5,597	5,981	5,564	6,047
Underlying consolidated profit	3,034	3,127	3,200	3,264	3,508
Underlying attributable profit	2,699	2,772	2,837	2,877	3,098
Net capital gains and provisions	—	—	—	—	—
Attributable profit	2,699	2,772	2,837	2,877	3,098

Mexico

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	836	841	927	915	970
Total income	831	868	931	897	939
Operating expenses	(340)	(363)	(384)	(376)	(395)
Net operating income	491	505	547	521	544
Net loan-loss provisions	(200)	(189)	(227)	(215)	(193)
Other	(3)	(12)	(5)	17	(6)
Underlying profit before tax	288	305	315	323	345
Underlying consolidated profit	225	238	250	262	268
Underlying attributable profit	175	184	195	206	206
Net capital gains and provisions	—	—	—	—	—
Attributable profit	175	184	195	206	206

Mexico

MXN million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	19,257	19,435	20,475	20,671	21,158
Total income	19,143	20,058	20,546	20,264	20,471
Operating expenses	(7,832)	(8,381)	(8,467)	(8,497)	(8,612)
Net operating income	11,310	11,678	12,079	11,767	11,859
Net loan-loss provisions	(4,610)	(4,357)	(5,020)	(4,853)	(4,211)
Other	(72)	(272)	(115)	383	(120)
Underlying profit before tax	6,628	7,049	6,944	7,296	7,528
Underlying consolidated profit	5,181	5,511	5,516	5,918	5,834
Underlying attributable profit	4,021	4,259	4,306	4,652	4,502
Net capital gains and provisions	—	—	—	—	—
Attributable profit	4,021	4,259	4,306	4,652	4,502

Chile

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	601	612	582	573	543
Total income	640	642	632	622	600
Operating expenses	(258)	(272)	(257)	(258)	(255)
Net operating income	382	370	375	364	345
Net loan-loss provisions	(121)	(115)	(117)	(120)	(102)
Other	22	32	19	31	37
Underlying profit before tax	282	287	276	275	280
Underlying consolidated profit	223	232	221	226	220
Underlying attributable profit	151	158	153	153	149
Net capital gains and provisions	—	—	—	—	—
Attributable profit	151	158	153	153	149

Chile

CLP million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	444,260	453,403	449,145	444,368	411,449
Total income	473,564	475,595	486,844	482,500	454,162
Operating expenses	(190,863)	(201,511)	(198,000)	(199,964)	(192,782)
Net operating income	282,700	274,084	288,844	282,536	261,380
Net loan-loss provisions	(89,852)	(84,920)	(90,252)	(93,034)	(77,584)
Other	16,034	23,790	14,617	23,614	28,393
Underlying profit before tax	208,882	212,954	213,209	213,115	212,189
Underlying consolidated profit	164,822	171,559	170,114	175,302	166,410
Underlying attributable profit	111,380	116,945	117,586	118,954	112,816
Net capital gains and provisions	—	—	—	—	—
Attributable profit	111,380	116,945	117,586	118,954	112,816

Argentina

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	343	367	(12)	518	329
Total income	377	430	(70)	472	331
Operating expenses	(218)	(207)	(0)	(323)	(202)
Net operating income	159	223	(70)	149	129
Net loan-loss provisions	(49)	(75)	(7)	(99)	(73)
Other	(17)	(41)	4	9	(22)
Underlying profit before tax	92	107	(73)	58	34
Underlying consolidated profit	67	72	(71)	17	11
Underlying attributable profit	66	71	(71)	17	11
Net capital gains and provisions*	—	—	—	—	150
Attributable profit	66	71	(71)	17	161

Argentina

ARS million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	8,293	10,046	12,292	13,530	15,602
Total income	9,117	11,729	11,492	11,557	15,704
Operating expenses	(5,278)	(5,707)	(7,693)	(8,516)	(9,570)
Net operating income	3,840	6,022	3,800	3,042	6,134
Net loan-loss provisions	(1,196)	(2,021)	(2,546)	(2,615)	(3,441)
Other	(411)	(1,077)	(849)	721	(1,067)
Underlying profit before tax	2,232	2,923	404	1,148	1,626
Underlying consolidated profit	1,610	1,961	(612)	104	519
Underlying attributable profit	1,599	1,946	(618)	112	513
Net capital gains and provisions*	—	—	—	—	7,112
Attributable profit	1,599	1,946	(618)	112	7,625

United States

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	1,435	1,500	1,545	1,770	1,641
Total income	1,578	1,670	1,735	1,967	1,815
Operating expenses	(735)	(737)	(748)	(795)	(774)
Net operating income	843	932	987	1,172	1,040
Net loan-loss provisions	(579)	(445)	(649)	(945)	(611)
Other	(23)	(50)	(69)	(57)	(58)
Underlying profit before tax	241	437	269	170	371
Underlying consolidated profit	174	298	175	123	260
Underlying attributable profit	125	210	125	92	182
Net capital gains and provisions	—	—	—	—	—
Attributable profit	125	210	125	92	182

United States

USD million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	1,764	1,787	1,796	2,028	1,864
Total income	1,940	1,990	2,018	2,252	2,061
Operating expenses	(904)	(878)	(868)	(907)	(879)
Net operating income	1,036	1,112	1,149	1,345	1,181
Net loan-loss provisions	(712)	(528)	(758)	(1,092)	(694)
Other	(28)	(60)	(81)	(65)	(66)
Underlying profit before tax	296	524	310	188	422
Underlying consolidated profit	214	357	201	136	296
Underlying attributable profit	154	252	144	102	207
Net capital gains and provisions	—	—	—	—	—
Attributable profit	154	252	144	102	207

Corporate Centre

EUR million

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
NII + Net fee income	(233)	(241)	(265)	(277)	(295)
Total income	(227)	(250)	(257)	(295)	(384)
Operating expenses	(121)	(122)	(123)	(128)	(119)
Net operating income	(348)	(372)	(380)	(423)	(503)
Net loan-loss provisions	(37)	(30)	(28)	(21)	(9)
Other	(43)	(50)	(55)	47	(37)
Underlying profit before tax	(427)	(452)	(463)	(397)	(549)
Underlying consolidated profit	(421)	(474)	(456)	(368)	(513)
Underlying attributable profit	(421)	(475)	(456)	(369)	(514)
Net capital gains and provisions*	—	(40)	—	—	(180)
Attributable profit	(421)	(515)	(456)	(369)	(694)

Glossary



05

Glossary - Acronyms

- **AFS:** Available for sale
- **AuM:** Assets under Management
- **bn:** Billion
- **CET1:** Common equity tier 1
- **C&I:** Commercial and Industrial
- **CIB:** Corporate & Investment Bank
- **DGF:** Deposit guarantee fund
- **GDP:** Gross domestic product
- **FL:** Fully-loaded
- **FX:** Foreign exchange
- **EPS:** Earning per share
- **LTV:** Loan to Value
- **LLPs:** Loan-loss provisions
- **M/LT:** Medium- and long-term
- **mn:** million
- **MXN:** Mexican Pesos
- **n.a.:** Not available
- **NII:** Net interest income
- **NIM:** Net interest margin
- **n.m.:** Not meaningful
- **NPL:** Non-performing loans
- **PBT:** Profit before tax
- **P&L:** Profit and loss
- **PPP:** Pre-provision profit
- **QoQ:** Quarter-on-Quarter
- **RE:** Real Estate
- **Repos:** Repurchase agreements
- **ROF:** Gains on financial transactions
- **RoRWA:** Return on risk-weighted assets
- **RoTE:** Return on tangible equity
- **RWA:** Risk-weighted assets
- **SBNA:** Santander Bank NA
- **SCF:** Santander Consumer Finance
- **SC USA:** Santander Consumer USA
- **SME:** Small and Medium Enterprises
- **SRF:** Single Resolution Fund
- **ST:** Short term
- **SVR:** Standard variable rate
- **TDR:** Troubled debt restructuring
- **TLAC:** Total loss absorbing capacity
- **TNAV:** Tangible net asset value
- **UF:** Unidad de fomento (Chile)
- **YoY:** Year-on-Year
- **UK:** United Kingdom
- **US:** United States

Glossary – definitions

PROFITABILITY AND EFFICIENCY

- **RoTE:** Return on tangible capital: Group attributable profit / average of: net equity (excluding minority interests) – intangible assets (including goodwill)
- **RoRWA:** Return on risk-weighted assets: consolidated profit / average risk-weighted assets
- **Efficiency:** Operating expenses / gross income. Operating expenses defined as general administrative expenses + amortisations

CREDIT RISK

- **NPL ratio:** Non-performing loans and customer advances, customer guarantees and contingent liabilities / total risk. Total risk is defined as: normal and non-performing balances of customer loans and advances, customer guarantees and contingent liabilities
- **NPL coverage ratio:** Provisions to cover losses due to impairment of customer loans and advances, customer guarantees and contingent liabilities / non-performing balances of customer loans and advances, customer guarantees and contingent liabilities
- **Cost of credit:** Provisions to cover losses due to impairment of loans in the last 12 months / average customer loans and advances of the last 12 months

CAPITALISATION

- **Tangible net asset value per share – TNAV:** Tangible stockholders' equity / number of shares (excluding treasury shares). Tangible stockholders' equity calculated as shareholders equity + accumulated other comprehensive income - intangible assets

Notes: 1) The averages for the RoTE and RoRWA denominators are calculated on the basis of 4 months from December to March.

2) For periods of less than a year, and in the event of non-recurring results existing, the profit used to calculate the Statutory RoTE is the annualised underlying attributable profit (excluding non-recurring results), to which are added non-recurring results without annualising them.

3) For periods of less than a year, and in the event of non-recurring results existing, the profit used to calculate the Statutory RoRWA is the annualised underlying consolidated result (excluding non-recurring results), to which is added non-recurring results without annualising them.

4) The risk-weighted assets included in the RoRWA denominator are calculated in accordance with the criteria defined by the Capital Requirements Regulation (CRR).

Thank You.

Our purpose is to help people and businesses prosper.

Our culture is based on believing that everything we do should be:

Simple Personal Fair



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